

ANNUAL REPORT

— OF THE —

CANADIAN NATIONAL RAILWAY SYSTEM

FOR THE YEAR ENDED DECEMBER 31, 1926

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School of Commerce
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CANADIAN NATIONAL RAILWAYS

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CANADIAN NATIONAL RAILWAYS

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MR. WM. PHILLIPS.....	Manager, Industrial Department.....	MONTREAL

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MR. C. S. GZOWSKI.....	Chief Engineer, Construction Department.....	MONTREAL
DR. J. ALEX. HUTCHISON.....	Chief Medical Officer.....	MONTREAL
MR. C. E. BROOKS.....	Chief of Motive Power.....	MONTREAL
MR. G. E. SMART.....	Chief of Car Equipment.....	MONTREAL
MR. WALTER PRATT.....	General Manager, Hotels & Sleeping & Dining Cars.....	MONTREAL
MR. A. E. CRILLY.....	Chief of Wage Bureau.....	MONTREAL
MR. W. H. KILBY.....	Chief of Forest Protection.....	MONTREAL
MR. W. S. MURPHY.....	General Time Supervisor.....	MONTREAL
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MR. A. E. WARREN.....	General Manager.....	TORONTO
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MR. R. W. SIMPSON.....	Assistant General Manager.....	MONCTON
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MR. L. C. THOMSON.....	Manager of Stores.....	MONTREAL
MR. G. H. JENKINS.....	General Fuel Agent.....	MONTREAL
MR. A. L. GRABURN.....	Assistant General Fuel Agent.....	MONTREAL
MR. G. P. MACLAREN.....	General Tie & Timber Agent.....	MONTREAL
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MR. F. W. TISDALE.....	Purchasing Agent.....	WINNIPEG
MR. C. C. LABRIE.....	Purchasing Agent.....	VANCOUVER
MR. W. E. EVANS.....	Purchasing Agent.....	DETROIT

CANADIAN NATIONAL RAILWAYS

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*MR. J. E. DALRYMPLE, VICE-PRESIDENT

MR. JOHN PULLEN.....	Assistant to Vice-President.....	MONTREAL
MR. D. O. WOOD.....	General Freight Traffic Manager.....	MONTREAL
MR. N. W. HAWKES.....	Freight Traffic Manager.....	MONTREAL
MR. FRANK J. WATSON.....	Commission Traffic Representative.....	MONTREAL
MR. L. MACDONALD.....	Freight Traffic Manager.....	MONTREAL
MR. W. G. MANDERS.....	Freight Traffic Manager.....	WINNIPEG
MR. R. L. BURNAP.....	Freight Traffic Manager.....	CHICAGO
MR. M. F. TOMPKINS.....	Traffic Manager.....	MONCTON
MR. R. J. FOREMAN.....	General Foreign Freight Agent.....	MONTREAL
MR. H. H. MELANSON.....	General Passenger Traffic Manager.....	MONTREAL
MR. C. W. JOHNSTON.....	Passenger Traffic Manager.....	MONTREAL
MR. R. L. FAIRBAIRN.....	Manager, Passenger Service Bureau.....	MONTREAL
MR. R. CREELMAN.....	Passenger Traffic Manager.....	WINNIPEG
MR. W. C. MUIR.....	General Manager, Express Department.....	MONTREAL

*As of January 1st, Mr. A. T. Weldon was appointed Vice-President instead of Mr. J. E. Dalrymple, resigned.

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MR. D. C. GRANT, VICE-PRESIDENT

MR. C. D. COWIE.....	Assistant to Vice-President.....	MONTREAL
MR. J. M. ROSEYEAR.....	General Comptroller.....	MONTREAL
MR. J. A. YATES.....	General Treasurer.....	MONTREAL
MR. C. E. FRIEND.....	Assistant General Comptroller.....	MONTREAL
MR. H. G. FOREMAN.....	Assistant General Treasurer.....	MONTREAL
MR. T. H. COOPER.....	General Auditor.....	MONTREAL
MR. G. F. ANCRUM.....	Treasurer.....	MONTREAL
MR. W. S. HARRISON.....	General Auditor of Revenues.....	MONTREAL
MR. J. B. McLAREN.....	Comptroller.....	TORONTO
MR. A. C. EGAN.....	Comptroller.....	WINNIPEG
MR. A. E. PLANT.....	Comptroller.....	MONCTON
MR. F. HORTON.....	Comptroller.....	DETROIT
MR. F. J. BULLER.....	Treasurer.....	TORONTO
MR. W. LeB. ROSS.....	Treasurer.....	WINNIPEG
MR. B. A. BOURGEOIS.....	Treasurer.....	MONCTON
MR. L. C. GROOM.....	Auditor, Land Department.....	MONTREAL
MR. E. ARNOLD.....	General Freight Claims Agent.....	MONTREAL
MR. J. G. SWALWELL.....	Auditor, Express Accounts.....	MONTREAL

DEPARTMENT OF INSURANCE, LANDS, TELEGRAPHS, COLONIZATION, DEVELOPMENT AND GENERAL MATTERS

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MR. C. MANNING.....	Assistant to Vice-President.....	MONTREAL
MR. W. G. BARBER.....	General Manager, Telegraph & Telephone Department.....	TORONTO
DR. W. J. BLACK.....	Director of Colonization, Agriculture and Natural Resources.....	MONTREAL
MR. C. PRICE-GREEN.....	Commissioner, Natural Resources.....	MONTREAL
MR. C. T. YOUNG.....	Superintendent of Development.....	TORONTO
MR. E. A. FIELD.....	Land Commissioner.....	WINNIPEG
MR. A. R. McEWAN.....	Director of Radio.....	MONTREAL
MR. W. D. KEESON.....	Director of Insurance.....	MONTREAL
MR. F. A. BOURNE.....	Superintendent of Pensions and Relief.....	MONTREAL
MR. W. A. BOOTH.....	Director, Safety and First Aid.....	MONTREAL

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MR. R. P. ORMSBY, SECRETARY

MR. HENRY PHILIPS.....	Assistant Secretary.....	MONTREAL
MR. D. R. GUNN.....	Assistant Secretary.....	MONTREAL
MR. F. B. HAYDEN.....	Registrar.....	MONTREAL
MR. M. H. STEVENS.....	Assistant Registrar.....	MONTREAL
MR. W. C. TOMKINS.....	Secretary and Treasurer, Grand Trunk Western.....	DETROIT
MR. H. W. HARDING.....	European Secretary and Comptroller.....	LONDON
MR. A. H. CONEYBEARE.....	Assistant European Secretary.....	LONDON
MR. W. H. HAMMERTON.....	European Registrar.....	LONDON

EUROPEAN OFFICE: ORIENT HOUSE, 42-45 NEW BROAD STREET, LONDON, E.C.2, ENGLAND

EUROPEAN TRAFFIC AND COLONIZATION DEPARTMENT

MR. C. J. SMITH, VICE-PRESIDENT

MR. P. A. CLEWS.....	European Traffic Manager.....	
MR. G. M. DIX.....	European Colonization Manager.....	

OFFICE: 17-19 COCKSPUR STREET, LONDON, S.W.1, ENGLAND

This list includes changes made since December 31st, 1926

CANADIAN NATIONAL RAILWAYS

Montreal, Que., March 16, 1927.

To the Honourable Charles A. Dunning, M.P.,
Minister of Railways and Canals.

Sir:—

I have the honour to submit herewith, on behalf of the Board of Directors, the report of the operation and affairs of the Canadian National Railway System for the year ended December 31, 1926. The returns for the year include the Central Vermont Railway, and the figures herein given for the year 1925 have been revised to include the results for that railway in order to permit of proper comparison.

MILEAGE

	Miles Owned by Constituent Companies	Miles Under Lease or Contract	Miles Under Trackage Rights	Total Mileage
Atlantic Region.....	2,571.76	224.78	82.61	2,879.15
Central Region.....	7,145.04	444.87	11.82	7,601.73
Grand Trunk Western Lines.....	841.81	121.12	27.78	990.71
Western Region.....	10,233.22	430.55	54.07	10,717.84
Central Vermont.....	272.68	160.69	59.15	492.52
	<u>21,064.51</u>	<u>1,382.01</u>	<u>235.43</u>	
Total Steam Operated Lines making up "System Mileage".....				22,681.95

Certain details are shown at the end of this report.

OPERATING RESULTS

The operating results for the year are shown in the following summary, which compares the principal items of revenue and expenses with the corresponding items for the previous year:—

Revenue			
	1926	1925	Increase or Decrease
Freight.....	\$207,157,028.09	\$187,763,637.13	Inc. \$19,393,390.96
Passenger.....	39,427,264.87	37,963,479.53	Inc. 1,463,785.34
Mail.....	3,688,356.86	3,693,646.75	Dec. 5,289.89
Miscellaneous.....	25,297,660.46	24,288,010.78	Inc. 1,009,649.68
Total.....	<u>\$275,570,310.28</u>	<u>\$253,708,774.19</u>	<u>\$21,861,536.09</u>
Expenses			
	1926	1925	Increase
Maintenance of W. & S.....	\$ 48,536,502.94	\$ 44,753,310.38	\$3,783,192.56
Maintenance of Equipment.....	51,211,820.99	49,324,910.70	1,886,910.29
Traffic.....	7,026,004.70	6,902,501.84	123,502.86
Transportation.....	111,393,757.98	110,386,974.93	1,006,783.05
Miscellaneous Operations.....	2,336,041.37	2,272,917.98	63,123.39
General.....	7,881,495.87	7,520,303.27	361,192.60
Transportation for Investment <i>Credit</i>	<i>1,040,343.21</i>	<i>895,442.95</i>	<i>144,900.26</i>
Total.....	<u>\$227,345,280.64</u>	<u>\$220,265,476.15</u>	<u>\$7,079,804.49</u>
Net Earnings.....	<u>\$48,225,029.64</u>	<u>\$33,443,298.04</u>	<u>\$14,781,731.60</u>
Operating ratio.....	82.50	86.82	

The above figures reflect what may be fairly regarded as a satisfactory position. An increase in the System's gross earnings of 8.6% indicates a generally satisfactory business situation throughout the Dom-

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inion, and it is equally gratifying to note that with an increase of nearly twenty-two million dollars in gross earnings there was an increase of but one million dollars in transportation expenses.

A reduction in the operating ratio from 86.82 to 82.5 shows a further improvement in operating efficiency.

For the first time the net earnings for the year are more than sufficient to pay all fixed charges due the public.

RAILWAY OPERATING REVENUES

This item requires no comment other than to record that an increase of \$21,861,536.09 may be regarded as the result of improved prosperity throughout the Dominion, and the zeal and energy displayed not only by the traffic department but by all of those in the service of the Company in attracting business to the system and securing its fair proportion of increased traffic.

MAINTENANCE OF WAY AND STRUCTURES

It was thought wise to increase the total expenditures under this heading for the year in order to effect a higher standard of maintenance. Although the percentage of expenditures for maintenance of way and structures to gross earnings has not increased, the larger expense is to some extent due to the increase in the number of treated ties used, with tie plates for protective purposes, and is also partly due to the greater mileage of new rail employed for renewals. This in turn necessitated increased expenditures for other track materials, including the purchase and application of stone ballast. It is the intention of the administration as rapidly as financial conditions will permit to extend the use of stone ballast on high speed and important passenger routes. A generally improved standard of maintenance, with bridge improvements, permits the use of heavier power, with consequently reduced transportation costs.

MAINTENANCE OF EQUIPMENT

While this group of expenses also shows an increase, the two maintenance accounts combined exhausted nearly 1% less of the year's gross earnings. Maintenance of equipment expenses increased by 3.82% as against the increase in gross earnings of 8.6%. Motive power maintenance showed practically no increase, the extra expenditure being more than accounted for by the increase in the cost of freight train car repairs. Under an authorized programme provision is made for modernizing certain classes of cars to fit them for use in the heavier trains now being operated, thus extending their period of use and reducing the expense of their upkeep; this is recognized as good practice, and during the period in which such a programme is being carried out heavier charges for current repairs are naturally incurred.

TRANSPORTATION EXPENSES

The present Board of the Canadian National Railways, in submitting its first annual report for the year ended December 31st, 1923, pointed out that a determined attack would be made on transportation expenses to reduce such expenses to a minimum as the business of the company increased. In the year 1926 substantial progress was made in this direction because, while gross earnings increased by 8.6%, transportation expenses increased by less than 1%, with the result that the transportation charge against each dollar earned was reduced from 43.51 cents to 40.43 cents. In the 1923 report the statement was made that transportation expenses offered a fruitful field for economy. It is therefore proper to submit the following table of comparison to show the progress made in the last four years in this important measure of efficiency generally known as the transportation ratio or, more completely, the ratio of transportation expenses to gross earnings:

1922.....	49.06
1923.....	47.66
1924.....	46.71
1925.....	43.51
1926.....	40.43

The figures in the above table include operations of the Central Vermont Railway.

To state perhaps more vividly the importance of the improvement achieved, it may be said that if transportation expenses had absorbed in 1926 the same percentage of the gross earnings as in 1922, the net earnings of the system would have been reduced by 49% or by \$23,800,000.

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TRAFFIC, MISCELLANEOUS AND GENERAL EXPENSES

These expenses increased slightly during the year, but in each case absorbed a smaller percentage of the gross earnings than in 1925.

TOTAL OPERATING EXPENSES AND NET EARNINGS

Total operating expenses increased by \$7,079,804.49 as compared with an increase in gross revenue of \$21,861,536.09, leaving an increase in net earnings of \$14,781,731.60, or 44.2%.

It is but fair to call attention to the fact that during the first years of system consolidation there have been many opportunities for economy. Much of this field has been exhausted and, while efficiency and lower operating costs will be rigorously sought, it is not probable that corresponding percentage improvements can be maintained, especially when it is remembered that certain wage increases have already been granted to employees, and others are in negotiation which will tend to affect operating results.

FINANCE

For the Dominion fiscal year ending March 31st, 1927, the sum of not exceeding \$31,000,000 was requested from the Government for Canadian National purposes. \$10,000,000 of this amount has been received in cash. The remainder can be provided under authority of an Act passed at the present session of Parliament. As gross and net earnings for 1926 were larger than it was expected they would be, the full amount of \$21,000,000 will not be required.

The funded debt retirements during the year were:—

Equipment trust certificates of various issues.	\$5,663,400
Payments under various sinking funds and otherwise.	520,658
Total.	<u>\$6,184,058</u>

TRAFFIC MOVEMENT

Generally speaking, freight car loadings on all lines were better throughout the year than in 1925. Congestion in elevators at the head of the lakes in February necessitated embargoes which were not lifted until April, thus adversely affecting the eastward grain movement in Western Canada during that period. During the same period, however, grain moved in much larger volume to Vancouver than in 1925, and there was also a good grain movement by rail on the lines east of the head of the lakes. Navigation on the Great Lakes did not open until May 3, which was much later than usual. Grain then moved in large volume to the lake head. In September the grain movement in Western Canada was very light, extending into October, and December was a particularly bad month, having little over half the grain movement of 1925 to the lake head.

Movement of grain to Vancouver in the last five months of the year was only about 55% of the 1925 volume. Movement of grain to Prince Rupert commenced in October and averaged 765 cars per month for the last three months of the year.

Apart from the fluctuations in the grain movement, freight traffic continued steady throughout the year. The increase in revenue freight ton-miles moved by train was 6.9%, whereas the train miles in freight service increased only 6.2%.

Passenger traffic was generally good and produced an increase in revenue of 3.9%, whereas passenger train mileage including unit car mileage increased 1% only.

RATES

The question of freight rates continues to be one of importance and some anxiety. It is not the province of the Board of Directors to argue for or against higher freight rates, but a distinct responsibility rests upon the Board to direct attention to the effect of alterations in the rate structure which would reduce the gross revenues of the system. The Board is of opinion that the welfare of the Dominion would be best served if its railways were allowed rates which would enable them not only to maintain solvency, but to make those improvements and provide those facilities which are from time to time necessary to meet the constantly increasing traffic requirements of a rapidly growing country. In so far as the Canadian National Railways

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are concerned, the property is owned by the people of Canada, and, in the last analysis, the financial position is in their hands. However, the Board ventures to express the thought—as it has indeed on previous occasions—that freight rates cannot be constantly decreased and net earnings continue to increase. With fair rates it has been possible to reduce to a minimum the demands of the railways on the public treasury. The Canadian National Railways are emerging from a condition which may be conservatively described as unsatisfactory; they have reached the point where they are paying interest out of net earnings on all the securities held by the public, and, furthermore, they are furnishing a service which the Board feels is satisfactory to the shipping public. Would it not be wise to allow that condition to continue and to improve?

INDUSTRIAL DEVELOPMENT

New industries continue to be established at points on the Canadian National Railways in large numbers. There has been a marked activity in the establishment of pulp and paper plants. Seventeen new plants connected with this industry were brought into operation during the year, mostly in the Province of Quebec. Water power development is being rapidly pushed in that and other provinces. A large number of new industries were located on the Canadian National Railways, involving expenditures running into millions of dollars. There is every reason to believe that these extensive investments were provoked by confidence in the future of Canada.

PURCHASING AND STORES DEPARTMENTS

Generally speaking, there was little change in the price of materials during the year. Notwithstanding the increased business handled during the year, the value of materials and supplies in stock at the end of 1926 was less by \$5,147,703 than at the end of 1925. This indicates that the special attention given to stocks is having satisfactory results.

Owing to the recent miners' strike in Great Britain there was an unusual demand on United States and Canadian mines for coal for shipment abroad, but the requirements of the System were fully taken care of at reasonable prices by contracts entered into early in 1926.

CONSTRUCTION

During the year 193.53 miles of new line were placed in operation, including the following:—

Turtleford, south-easterly 42.5 miles, Warden-Hanna, 29.18 miles, Bengough-Willowbunch, 28.49 miles, Central Butte, towards Dunblane, 25.98 miles, Acadia Valley Branch, 24.6 miles, Pine Falls extension, 19.5 miles, St. Paul, south-easterly, 19.55 miles.

In addition to this, 117 miles of track were laid and 65 miles were graded.

ROUYN LINE

The construction by the National Transcontinental Railway Branch Lines Company of its line from Taschereau to Rouyn, which was commenced in December 1925, is now practically completed and as was intended is being operated by the Canadian National Railways on behalf of the Government. It is proving a valuable traffic producer.

WAGES AND LABOUR

The "Co-operative plan" adopted in conjunction with the shops craft employees some two years ago has worked with much satisfaction, and a study is being made to determine the practicability of extending a similar movement to employees in the maintenance of way department.

Late in the year a situation developed with respect to the wage position which demanded immediate consideration and in certain of its aspects required joint action by the Canadian Pacific Railway and the National System. After careful and anxious consideration an amicable arrangement was made which was thought to be to the interest of the immediate parties involved and of the Dominion itself. Following upon this adjustment negotiations were undertaken and others are in discussion which will result in further increases. While the burden upon the Company's expenses will be considerable, it is believed by your Board that the zeal, efficiency and loyalty of all of the employees justify financial recognition, and it is confidently believed that a large part of the money so spent will, in the course of time, be saved through improved good feeling and consequent efficiency.

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HOTEL DEPARTMENT

The gross revenue from hotels showed an increase of \$295,612 as compared with an increase of \$258,016 in expenses, leaving a net operating loss of \$38,769 which was less by \$37,596 than the corresponding loss in the previous year.

An extension of the Chateau Laurier will be made to meet the ever-growing demand for accommodation at the capital city.

IMMIGRATION

Immigration continues to be one of the most important activities of the National Railway System. The officers of the two Canadian transcontinental railways specifically charged with immigration have reached an understanding with the Canadian Government to extend the co-operative agreement for a further period of three years from which good results are expected.

During the past year 31,536 European settlers were brought out by the Canadian National Railways, as compared with 9,582 in 1925; the number of British included in these figures being 8,003 and 3,883 respectively. 335 families from the United States were secured for Western Canada, quite a number of whom have taken up Canadian National lands. At the end of the year there were in effect nine different arrangements under which aid in one form or another may be given to intending emigrants. In connection with these arrangements and immigration generally, also with the development of natural resources in territory adjoining the lines of the system and elsewhere, a great deal of educational and preparatory work has been undertaken from which good results may confidently be expected in the future.

BETTERMENTS

The programme under this head, providing for many improvements in the railway's transportation plant, was continued during the year, including work on the ocean terminals at Halifax, Toronto grade separation and terminal improvements, also similar work at Chicago, Detroit and Edmonton, and a new train shed for Saint John, N.B.

Other work included the following: new yard and engine facilities at Jonquiere, Que.; new yards and track at Clifton Junction, Niagara Falls; three-track ferry slip at Windsor, Ont.; new connection near Solomon, Alberta; additions to Jasper Park Lodge and reconstruction work at Minaki Lodge; further gauge standardization on the Prince Edward Island Railways. About 60 miles of rock ballasting has been done on the main line between Montreal and Toronto.

Two new car ferries for service on Lake Michigan were ordered, one of which was put into service in December, the second one being launched January 19th, 1927.

TAXES

The increase of \$816,400 in this account is mainly due to a charge of \$500,000 for taxes agreed to be paid by the National Railways to the Provinces of Nova Scotia, New Brunswick and Prince Edward Island, for the years 1925 and 1926, and to provision in the accounts for income taxes payable to the United States on the improved net income of the lines in the United States.

INSURANCE

The Insurance Fund which covers the properties of both the Canadian National Railways and the Canadian Government Merchant Marine Limited amounted at December 31, 1926, to \$8,666,116 as shown by the accounts. This Fund is invested either in cash or securities, chiefly Dominion of Canada obligations. After providing for losses sustained but not settled, the total surplus of the Fund at December 31, 1926, was \$8,049,552. The increase during the year was \$1,667,567. The losses chargeable to the Fund during the year amounted to \$936,720, as compared with \$1,202,893 for the year 1925. The fire losses show a decrease of \$362,590. The largest fire loss amounted to approximately \$21,000 and only in three other cases did any individual fire loss amount to over \$10,000. Apart from these fires the other railway losses were all of small amounts. The improvement as compared with last year's position is indicative of the response to the fire prevention campaign.

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PENSION

The following employees, with fifty or more years of service, were placed on pension during the year, and their records furnish a fine testimonial to the fidelity and loyalty with which they have served the Company for more than half a century. The best wishes of the management are extended to them for a long and well-merited period of retirement:—

Service		Service	
Brent, F. W.....	57	Hovey, A.....	52
Carr, W. F.....	52	Lapointe, F.....	53
Coulthurst, A. A.....	52	Logan, R.....	55
Dalrymple, T. A.....	59	McMillan, J.....	50
Davis, J. R.....	53	McMurchy, J.....	54
Dougherty, J.....	52	Merrifield, J.....	53
Duckworth, W. J.....	54	Mitchell, G. A.....	55
Ellis, J. G.....	50	*Mock, J.....	53
Ferriter, Eugene.....	56	Morrissey, J.....	52
Forrester, W. H.....	52	Phemister, G.....	57
Griffin, P.....	53	Purdue, J.....	54

*It is regretted that Mr. John Mock died shortly after retirement.

The Board records with pride and admiration that the following employees deserve honourable mention for life saving acts and efforts:—

Anger, Joseph
Cornish, George
Hyndman, E.

Kneller, Albert E.
Main, John
McKnight, Edgar

Morrison, Robert
Sharkey, A. W.
Watson, T. G.

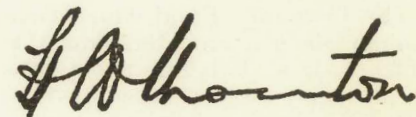
It is greatly regretted that Mr. W. H. Sharpe, painter, Point St. Charles shops, lost his life in an attempt to prevent a drowning accident at Old Orchard Beach, in September.

Owing to ill-health, Dr. J. A. Hutchison retired from service at the end of the year. This was much regretted by the directors in view of his long and honourable service as Chief Medical Officer and otherwise.

GENERAL

Grand Trunk Pacific 4% Debenture Stock. The scheme of arrangement under which Canadian National Guaranteed Stock will be issued in exchange has been assented to by the holders of about ninety per cent of the 4% debenture stock. The Dominion Act authorizing the carrying out of the scheme, entitled "The Grand Trunk Pacific Securities Act, 1927," was passed at the present session of Parliament and became effective on February 18, 1927. The scheme was arrived at after friendly discussions between representatives of the railways and the debenture stockholders and an advisory committee composed of the Rt. Hon. Reginald McKenna, Sir George May, Mr. E. R. Peacock and Mr. D. Berdoe Wilkinson, whose services were given gratuitously and were much appreciated. The Board desires to record its gratitude to the gentlemen above mentioned.

The Directors feel that the remarkably good operating results obtained in 1926 could not have been attained except through the whole-hearted efforts of officers and employees working in thorough harmony for a common cause, and are very glad to acknowledge the inestimable value of the excellent esprit de corps which obtains throughout the System, and to express their thanks for the loyal service rendered by officers and employees.



Chairman and President.

CANADIAN NATIONAL RAILWAYS

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CANADIAN NATIONAL

(INCLUDING THE CENTRAL

CONSOLIDATED BALANCE SHEET

ASSETS			
INVESTMENTS:			
701 Investment in Road and Equipment.....		\$1,886,449,586.30	
702 Improvements on Leased Railway Property.....		5,964,867.63	
703 Sinking Funds:			
System Securities at Par.....	\$7,530,000.13		
Other Assets at Cost.....	4,886,537.66	12,416,537.79	
704 Deposits in Lieu of Mortgaged Property Sold.....		5,538,985.66	
705 Miscellaneous Physical Property.....		55,536,066.08	
706 Investments in Affiliated Companies:			
"A" Stocks.....	1,770,403.45		
"B" Bonds.....	12,331,565.45		
"D" Advances.....	613,188.09	14,715,156.99	
707 Other Investments.....		5,869,507.30	\$1,986,490,707.75
CURRENT ASSETS:			
708 Cash.....		27,569,771.24	
711 Special Deposits.....		7,154,503.51	
712 Loans and Bills Receivable.....		27,576.97	
713 Traffic and Car-Service Balances Receivable.....		2,025,518.30	
714 Net Balances Receivable from Agents and Conductors.....		6,307,103.55	
715 Miscellaneous Accounts Receivable.....		8,107,259.99	
716 Materials and Supplies.....		38,271,283.26	
717 Interest and Dividends Receivable.....		311,959.20	
718 Rents Receivable.....		151,410.45	
719 Other Current Assets.....		152,820.51	90,079,206.98
DEFERRED ASSETS:			
720 Working Fund Advances.....		544,781.61	
721 Insurance and Other Funds—Railway and C.G.M.M.....		9,233,122.35	
722 Other Deferred Assets.....		14,734,444.06	24,512,348.02
UNADJUSTED DEBITS:			
723 Rents and Insurance Premiums Paid in Advance.....		8,935.75	
724 Discount on Capital Stock.....		190,500.00	
725 Discount on Funded Debt.....		4,995,313.10	
727 Other Unadjusted Debits.....		5,128,455.14	10,323,203.99
			\$2,111,405,466.74

NOTE:—The title of the Canadian Northern Ontario Railway and the Canadian Northern Quebec Railway Companies to lands carried in "Miscellaneous Physical Property" at \$7,318,140 has been questioned by the Ontario and Quebec Provincial Governments.

RAILWAY SYSTEM

VERMONT RAILWAY)

AT DECEMBER 31, 1926.

LIABILITIES		
STOCK:		
751 Capital Stock.....	\$271,032,348.70	
752 Stock Liability for Conversion.....	10,600.00	\$271,042,948.70
GOVERNMENTAL GRANTS:		
754 Grants in Aid of Construction.....		16,416,351.31
LONG TERM DEBT:		
755 Funded Debt Unmatured.....	935,383,109.74	
DOMINION OF CANADA ACCOUNT:		
Funded Debt Unmatured.....	\$ 33,048,000.00	
Receiver's Certificates.....	53,403,855.11	
Loans from Dominion of Canada.....	507,848,511.89	
	594,300,367.00	
Interest on above accrued but unpaid.....	193,951,356.64	
Appropriations account Canadian Government Railways..	437,412,032.64	1,225,663,756.28
		2,161,046,866.02
CURRENT LIABILITIES:		
758 Loans and Bills Payable.....	1,900.00	
759 Traffic and Car-Service Balances Payable.....	5,712,753.36	
760 Audited Accounts and Wages Payable.....	17,173,510.28	
761 Miscellaneous Accounts Payable.....	4,481,248.37	
762 Interest Matured Unpaid.....	5,626,797.07	
764 Funded Debt Matured Unpaid.....	422,543.14	
766 Unmatured Interest Accrued.....	8,508,495.70	
767 Unmatured Rents Accrued.....	422,350.36	
768 Other Current Liabilities.....	274,240.34	42,623,838.62
DEFERRED LIABILITIES:		
769 Liability for Provident Funds.....	34,518.62	
770 Other Deferred Liabilities.....	4,582,309.78	4,616,828.40
UNADJUSTED CREDITS:		
771 Tax Liability.....	2,439,884.57	
773 Insurance and Casualty Reserves—Railway and C.G.M.M.....	9,107,247.12	
775 Accrued Depreciation—Road.....	2,410,414.38	
776 Accrued Depreciation—Equipment.....	6,707,437.25	
777 Accrued Depreciation—Miscellaneous Physical Property.....	779,519.61	
778 Other Unadjusted Credits.....	3,154,803.97	24,599,306.90
CORPORATE SURPLUS:		
779 Additions to Property through Income and Surplus.....	1,778,964.70	
780 Funded Debt Retired through Income and Surplus.....	967,000.00	
781 Sinking Fund Reserves.....	575,283.99	
783 Appropriated Surplus.....	2,058,372.19	
784 Profit and Loss—Balance.....	414,320,294.09	408,940,673.21
		\$2,111,405,466.74

J. M. ROSEVEAR,
General Comptroller.

We have examined the books and records of the Companies comprising the Canadian National Railway System for the twelve months ended the 31st December, 1926. The investments in Road and Equipment appearing in the books of the Companies as at the 1st January, 1923, were accepted by us.

We certify that, in our opinion, the above Consolidated Balance Sheet is properly drawn up so as to exhibit a true and correct view of the affairs of the System, as at the 31st December, 1926, and we further certify that, in our opinion, the attached Income and Profit and Loss Accounts for the year ended the 31st December, 1926, are correctly stated.

GEORGE A. TOUCHE & CO.,
Chartered Accountants,
Auditors.

16th March, 1927.

CANADIAN NATIONAL RAILWAYS

PROFIT AND LOSS ACCOUNT, 1926

DEBITS:		
611 Debit Balance Canadian National Railway System at January 1, 1926.....	\$385,712,040.41	
Add Central Vermont Railway System Debit Balance at January 1, 1926	5,187,178.63	
	<u>\$390,899,219.04</u>	
Deduct Hudson Bay Railway eliminated from C.N. System Accounts.....	287,316.65	\$390,611,902.39
612 Debit Balance transferred from Income.....		29,894,072.93
613 Surplus applied to Sinking and Other Reserve Funds.....		3,336.15
615 Surplus appropriated for Investment in Physical Property.....		32,179.54
618 Miscellaneous Appropriations of Surplus.....		84,484.15
619 Loss on retired Road and Equipment.....		2,173,610.68
620 Delayed Income Debits.....		415.18
622 Adjustment of Land Surplus Account.....		32,428.87
		<u>\$422,832,429.89</u>
CREDITS:		
603 Profit on Road and Equipment sold.....		164,826.46
605 Unrefundable Overcharges.....		26,515.75
606 Donations.....		108,800.05
607 Miscellaneous Credits and Debits, Net.....		8,211,993.54
Debit Balance forward to Balance Sheet.....		414,320,294.09
		<u>\$422,832,429.89</u>

CANADIAN NATIONAL RAILWAYS

INCOME STATEMENT

	Year ending December 31, 1926	Year ending December 31, 1925
501 Railway Operating Revenues.....	\$275,570,310.28	\$253,708,774.19
531 Railway Operating Expenses.....	227,345,280.64	220,265,476.15
Net Revenue from Railway Operations.....	\$48,225,029.64	\$33,443,298.04
532 Railway Tax Accruals.....	\$5,281,817.62	\$4,465,377.74
533 Uncollectible Railway Revenues.....	50,388.42	59,791.74
Railway Operating Income.....	\$42,892,823.60	\$28,918,128.56
502 Revenues from Miscellaneous Operations.....	\$2,301,547.40	\$2,010,800.95
534 Expenses of Miscellaneous Operations.....	2,284,312.71	2,041,189.12
Net Revenue from Miscellaneous Operations.....	\$17,234.69	\$30,388.17
535 Taxes on Miscellaneous Operations.....	66,211.96	73,486.99
Total Operating Income.....	\$42,843,846.33	\$28,814,253.40
504 Rent from Locomotives.....	\$268,839.96	\$196,593.26
505 Rent from Passenger Train Cars.....	252,095.52	211,347.93
506 Rent from Floating Equipment.....	150.00	337.30
507 Rent from Work Equipment.....	352,012.29	316,996.34
508 Joint Facility Rent Income.....	1,068,235.48	1,029,439.95
509 Income from Lease of Road.....	91,374.92	85,640.54
510 Miscellaneous Rent Income.....	633,544.69	1,205,650.55
511 Miscellaneous Non-Operating Physical Property.....	204,263.28	192,138.58
512 Separately Operated Properties—Profit.....	1,606,279.99	1,179,057.22
513 Dividend Income.....	413,227.50	386,958.91
514 Income from Funded Securities.....	642,732.41	573,124.59
515 Income from Unfunded Securities and Accounts.....	1,269,328.73	1,461,087.88
516 Income from Sinking and Other Reserve Funds.....	736,906.86	634,785.17
519 Miscellaneous Income.....	83,835.66	222,069.62
Total Non-Operating Income.....	\$7,622,827.29	\$7,695,227.84
Gross Income.....	\$50,466,673.62	\$36,509,481.24
536 Hire of Freight Cars—Debit Balance.....	\$3,947,605.83	\$1,861,208.49
537 Rent for Locomotives.....	33,391.93	26,849.30
538 Rent for Passenger Train Cars.....	364,675.04	408,900.82
539 Rent for Floating Equipment.....	9,224.29	21,748.16
540 Rent for Work Equipment.....	13,642.70	6,173.73
541 Joint Facility Rents.....	958,463.53	682,064.68
542 Rent for Leased Roads.....	1,487,040.49	1,478,437.79
543 Miscellaneous Rents.....	111,921.64	117,904.58
544 Miscellaneous Tax Accruals.....	162,485.89	162,061.57
545 Separately Operated Properties—Loss.....	646,746.73	759,059.63
546 Interest on Funded Debt.....	39,701,896.35	40,966,558.73
546A Interest on Dominion Government Advances.....	32,090,453.66	31,450,381.89
547 Interest on Unfunded Debt.....	133,051.34	116,968.24
548 Amortization of Discount on Funded Debt.....	518,886.34	529,650.83
551 Miscellaneous Income Charges.....	120,692.95	61,571.09
Miscellaneous Appropriations of Income.....	60,567.84	57,606.44
Total Deductions from Gross Income.....	\$80,360,746.55	\$78,707,145.97
Net Income Deficit.....	\$29,894,072.93	\$42,197,664.73

CANADIAN NATIONAL RAILWAYS

RAILWAY OPERATING REVENUES AND EXPENSES

	Year ending December 31, 1926	Year ending December 31, 1925
RAILWAY OPERATING REVENUES:		
101 Freight.....	\$207,157,028.09	\$187,763,637.13
102 Passenger.....	39,427,264.87	37,963,479.53
103 Excess Baggage.....	242,890.44	238,443.05
104 Sleeping Car.....	2,204,070.53	1,952,221.20
105 Parlor and Chair Car.....	290,309.87	277,529.51
106 Mail.....	3,688,356.86	3,693,646.75
107 Express.....	13,954,167.88	13,504,380.15
108 Other Passenger-Train.....	29,592.66	125,183.91
109 Milk.....	781,320.90	753,552.10
110 Switching.....	2,491,106.73	2,420,560.94
111 Special Service Train.....	149,893.83	69,291.66
112 Other Freight Train.....	57.28	7,518.08
114 Water Transfers—Passenger.....	9,406.80	3,992.20
115 Water Transfers—Vehicles and Live Stock.....	25,318.76	16,367.67
116 Water Transfers—Other.....	1,721.50	621.50
131 Dining and Buffet.....	1,506,207.20	1,436,527.16
132 Restaurant.....	59,780.18	73,597.72
133 Station, Train and Boat Privileges.....	181,732.64	175,743.80
134 Parcel Room.....	113,575.31	113,398.70
135 Storage—Freight.....	196,970.73	194,177.06
136 Storage—Baggage.....	52,602.15	51,650.41
137 Demurrage.....	833,738.70	689,487.04
138 Telegraph & Telephone.....	2,507.28	2,559.40
139 Grain Elevator.....	391,408.87	502,988.19
141 Power.....	14,711.86	—
142 Rents of Buildings and Other Property.....	368,738.54	336,153.21
143 Miscellaneous.....	1,546,898.93	1,433,892.60
151 Joint Facility—Credit.....	26,787.62	22,763.39
152 Joint Facility—Debit.....	118,671.41	99,553.71
Total Operating Revenues.....	\$275,570,310.28	\$253,708,774.19
RAILWAY OPERATING EXPENSES:		
Maintenance of Way and Structures.....	\$48,536,502.94	\$44,753,310.38
Maintenance of Equipment.....	51,211,820.99	49,324,910.70
Traffic.....	7,026,004.70	6,902,501.84
Transportation.....	111,393,757.98	110,386,974.93
Miscellaneous Operations.....	2,336,041.37	2,272,917.98
General.....	7,881,495.87	7,520,303.27
Transportation for Investment—Credit.....	1,040,343.21	895,442.95
Total Operating Expenses.....	\$227,345,280.64	\$220,265,476.15

CANADIAN NATIONAL RAILWAYS

RAILWAY OPERATING EXPENSES

	Year ending December 31, 1926	Year ending December 31, 1925
MAINTENANCE OF WAY AND STRUCTURES:		
201 Superintendence.....	\$3,226,766.89	\$3,145,789.12
202 Roadway Maintenance.....	4,134,372.68	4,234,709.56
206 Tunnels and Subways.....	25,122.85	42,222.67
208 Bridges, Trestles and Culverts.....	3,089,711.29	3,559,960.53
212 Ties.....	8,763,429.57	7,374,815.95
214 Rails.....	3,072,789.36	2,988,903.58
216 Other Track Material.....	2,131,691.34	2,188,914.42
218 Ballast.....	713,680.98	487,332.27
220 Track Laying and Surfacing.....	13,452,130.26	11,871,850.12
221 Right of Way Fences.....	414,649.64	460,856.20
223 Snow and Sand Fences and Snow Sheds.....	49,432.04	36,494.12
225 Crossings and Signs.....	502,443.43	498,475.64
227 Station and Office Buildings.....	1,796,609.68	1,569,862.58
229 Roadway Buildings.....	202,021.15	187,972.94
231 Water Stations.....	614,769.43	553,762.51
233 Fuel Stations.....	201,168.97	183,017.54
235 Shops and Enginehouses.....	1,453,673.39	1,503,528.09
237 Grain Elevators.....	60,497.88	55,726.33
241 Wharves and Docks.....	215,452.24	144,554.16
243 Coal and Ore Wharves.....	13,082.48	25,158.08
245 Gas Producing Plants.....	555.05	266.57
247 Telegraph and Telephone Lines.....	528,015.06	502,743.07
249 Signals and Interlockers.....	431,718.50	432,727.56
253 Power Plant Buildings.....	30,908.96	3,270.81
255 Power Substation Buildings.....	283.24	.69
257 Power Transmission Systems.....	9,576.61	10,839.52
259 Power Distribution Systems.....	28,177.36	24,624.72
261 Power Line Poles and Fixtures.....	3,729.69	88.28
265 Miscellaneous Structures.....	2,142.14	4,303.94
267 Paving.....	817.40	11,080.32
269 Roadway Machines.....	264,649.47	264,318.54
271 Small Tools and Supplies.....	640,683.23	542,319.09
272 Removing Snow, Ice and Sand.....	2,440,884.42	1,816,048.03
273 Assessments for Public Improvements.....	6,937.51	5,580.82
274 Injuries to Persons.....	292,270.87	286,753.25
275 Insurance.....	424,036.08	394,641.18
276 Stationery and Printing.....	74,684.60	77,525.12
277 Other Expenses.....	21,267.33	28,257.29
278 Maintaining Joint Tracks, Yards and Other Facilities, Dr.....	366,392.51	332,977.13
279 " " " Cr.....	1,260,857.41	1,190,653.69
Depreciation—U.S. Lines Only.....	96,125.77	91,691.73
Total.....	\$48,536,502.94	\$44,753,310.38

CANADIAN NATIONAL RAILWAYS

RAILWAY OPERATING EXPENSES

	Year ending December 31, 1926	Year ending December 31, 1925
MAINTENANCE OF EQUIPMENT:		
301 Superintendence.....	\$1,908,282.94	\$1,790,721.42
302 Shop Machinery.....	1,323,824.94	1,241,970.98
304 Power Plant Machinery.....	90,368.02	84,529.76
306 Power Substation Apparatus.....	1,004.37	479.09
308 Steam Locomotives—Repairs.....	16,598,797.54	16,522,002.00
310 " " Retirements.....	652,357.84	1,506,515.45
311 Other Locomotives—Repairs.....	32,087.53	45,287.51
314 Freight Train Cars—Repairs.....	17,949,560.79	15,490,115.49
316 " " Retirements.....	1,179,763.77	1,569,393.32
317 Passenger Train Cars—Repairs.....	6,758,719.33	6,480,021.19
319 " " Retirements.....	221,012.32	99,581.51
320 Motor Equipment of Cars—Repairs.....	182,651.94	64,452.61
322 " " Retirements.....	21,251.46	—
323 Floating Equipment—Repairs.....	169,803.41	169,049.86
326 Work Equipment—Repairs.....	1,899,116.26	1,933,427.93
328 " " Retirements.....	103,077.13	256,148.60
329 Miscellaneous Equipment—Repairs.....	17,625.48	17,034.41
331 " " Retirements.....	3,443.60	1,492.72
332 Injuries to Persons.....	313,911.07	277,835.27
333 Insurance.....	475,426.34	496,904.32
334 Stationery and Printing.....	86,746.25	85,193.01
335 Other Expenses.....	36,283.95	43,449.85
336 Maintaining Joint Equipment at Terminals, Dr.....	71,016.86	56,325.14
337 " " Cr.....	202,681.71	192,416.34
Depreciation—U.S. Lines Only.....	1,318,369.56	1,285,395.60
Total.....	\$51,211,820.99	\$49,324,910.70
TRAFFIC EXPENSES:		
351 Superintendence.....	\$2,013,666.66	\$1,929,680.60
352 Outside Agencies.....	2,585,389.08	2,516,559.58
353 Advertising.....	1,136,587.14	1,061,487.66
353 Radio.....	256,276.70	240,686.49
354 Traffic Associations.....	85,941.39	95,319.67
356 Industrial Bureaus.....	75,608.73	63,368.32
356 Colonization, Agriculture and Natural Resources.....	470,684.05	448,300.40
356 British Empire Exhibition.....	437.55	60,538.47
357 Insurance.....	743.63	957.37
358 Stationery and Printing.....	376,641.80	388,864.87
359 Other Expenses.....	24,027.97	96,738.41
Total.....	\$7,026,004.70	\$6,902,501.84

CANADIAN NATIONAL RAILWAYS

RAILWAY OPERATING EXPENSES

	Year ending December 31, 1926	Year ending December 31, 1925
TRANSPORTATION RAIL LINE:		
371 Superintendence.....	\$4,122,148.82	\$4,089,594.85
372 Dispatching Trains.....	1,483,882.02	1,459,509.52
373 Station Employees.....	17,137,605.66	16,996,169.82
374 Weighing, Inspection and Demurrage Bureaus.....	77,150.37	73,725.34
375 Coal and Ore Wharves.....	49,301.32	111,568.37
376 Station Supplies and Expenses.....	1,475,145.86	1,488,780.82
377 Yardmasters and Yard Clerks.....	2,713,373.56	2,535,263.96
378 Yard Conductors and Brakemen.....	5,487,222.34	5,067,110.58
379 Yard, Switch and Signal Tenders.....	729,118.97	730,345.63
380 Yard Enginemen.....	3,977,190.16	3,579,392.35
381 Yard Motormen.....	32,909.25	27,628.06
382 Fuel for Yard Locomotives.....	4,813,568.71	4,916,360.31
383 Yard Switching Power Produced.....	17,572.58	15,845.67
384 " " Purchased.....	55,307.62	44,231.57
385 Water for Yard Locomotives.....	197,338.06	193,286.28
386 Lubricants for Yard Locomotives.....	52,599.63	48,926.52
387 Other Supplies for Yard Locomotives.....	47,965.03	46,869.07
388 Enginehouse Expenses—Yard.....	1,511,706.40	1,469,719.31
389 Yard Supplies and Expenses.....	127,162.40	120,836.39
390 Operating Joint Yards and Terminals, Dr.....	934,189.45	962,882.05
391 " " " Cr.....	1,532,119.33	1,411,499.12
392 Train Enginemen.....	11,046,409.29	10,431,339.09
393 Train Motormen.....	104,352.61	80,598.88
394 Fuel for Train Locomotives.....	20,657,673.57	21,772,943.95
395 Train Power Produced.....	13,859.01	12,579.92
396 " " Purchased.....	61,113.34	70,918.78
397 Water for Train Locomotives.....	1,089,275.51	1,085,100.02
398 Lubricants for Train Locomotives.....	295,521.06	308,973.49
399 Other Supplies for Train Locomotives.....	211,075.28	204,269.75
400 Enginehouse Expenses—Train.....	3,799,111.38	3,970,362.43
401 Trainmen.....	12,114,975.55	11,564,948.01
402 Train Supplies and Expenses.....	5,106,008.29	4,837,443.86
403 Operating Sleeping Cars.....	1,048,017.18	987,223.35
404 Signal and Interlocker Operation.....	572,153.78	573,110.10
405 Crossing Protection.....	706,680.42	734,019.47
406 Drawbridge Operation.....	113,138.94	119,555.03
407 Telegraph and Telephone Operation.....	66,126.79	88,096.44
408 Operating Floating Equipment.....	1,085,448.24	1,061,434.27
409 Express Service.....	6,183,186.74	6,112,992.71
410 Stationery and Printing.....	740,876.61	776,140.33
411 Other Expenses.....	327,645.87	343,381.27
412 Operating Joint Tracks and Facilities, Dr.....	249,545.67	216,658.86
413 " " " Cr.....	539,205.61	471,913.77
414 Insurance.....	424,300.24	424,196.35
415 Clearing Wrecks.....	465,831.98	460,159.23
416 Damage to Property.....	151,469.46	125,760.78
417 Damage to Live Stock on Right of Way.....	57,060.85	60,012.78
418 Loss and Damage—Freight.....	1,027,228.60	1,139,394.96
419 " " Baggage.....	4,125.75	4,910.90
420 Injuries to Persons.....	700,412.70	725,816.34
Total.....	\$111,393,757.98	\$110,386,974.93

CANADIAN NATIONAL RAILWAYS

RAILWAY OPERATING EXPENSES

	Year ending December 31, 1926	Year ending December 31, 1925
MISCELLANEOUS OPERATIONS:		
441 Dining and Buffet Service.....	\$2,026,081.82	\$1,967,673.49
442 Restaurants.....	68,744.30	66,229.88
443 Grain Elevators.....	188,553.46	214,780.46
445 Producing Power Sold.....	26,689.37	—
446 Other Miscellaneous Operations.....	25,972.42	24,234.15
Total.....	\$2,336,041.37	\$2,272,917.98
GENERAL EXPENSES:		
451 Salaries and Expenses of General Officers.....	\$1,010,691.01	\$1,042,980.78
452 Salaries and Expenses of Clerks and Attendants.....	3,871,334.21	3,941,964.49
453 General Office Supplies and Expenses.....	447,450.95	491,909.29
454 Law Expenses.....	542,189.39	504,837.95
455 Insurance.....	25,332.20	25,726.67
456 Relief Department Expenses.....	27,500.00	27,500.00
457 Pensions.....	1,189,590.98	829,223.65
458 Stationery and Printing.....	196,781.18	191,725.87
459 Valuation Expenses.....	42,496.77	35,783.51
460 Other Expenses.....	530,783.88	432,336.05
461 General Joint Facilities, Dr.....	6,989.54	6,960.51
462 " " " Cr.....	9,644.24	10,645.50
Total.....	\$7,881,495.87	\$7,520,303.27

CANADIAN NATIONAL RAILWAYS

EXPENDITURES, LESS RETIREMENTS, DURING THE YEAR 1926, APPLICABLE TO INVESTMENT IN ROAD AND EQUIPMENT

ROAD:		
1	Engineering	\$398,475.32
2	Land for Transportation Purposes	1,955,237.25
3	Grading	2,671,624.86
5	Tunnels and Subways	52,883.40
6	Bridges and Culverts	2,420,219.78
8	Ties	826,043.03
9	Rails	1,712,597.45
10	Other Track Material	2,354,468.91
11	Ballast	1,164,872.17
12	Track Laying and Surfacing	1,159,025.80
13	Right-of-Way Fences	209,739.64
14	Snow and Sand Fences and Snow Sheds	18,353.19
15	Crossings and Signs	628,385.78
16	Station and Office Buildings	1,206,992.93
17	Roadway Buildings	136,953.75
18	Water Stations	349,755.69
19	Fuel Stations	149,225.78
20	Shops and Enginehouses	1,404,901.58
21	Grain Elevators	1,174,066.97
23	Wharves and Docks	191,578.13
25	Gas Producing Plants	283.28
26	Telegraph and Telephone Lines	106,061.06
27	Signals and Interlockers	87,389.05
29	Power Plant Buildings	14,300.40
30	Power Sub-Station Buildings	1,501.10
31	Power Transmission Systems	1,011.41
32	Power Distribution Systems	33,669.52
33	Power Lines, Poles and Fixtures	3,798.41
34	Underground Conduits	2,087.41
35	Miscellaneous Structures	44,951.78
36	Paving	23,225.00
37	Roadway Machines	20,107.75
38	Roadway Small Tools	20,528.23
39	Assessments for Public Improvements	113,130.29
40	Revenues and Operating Expenses during Construction	20.93
43	Other Expenditures—Road	3,549.06
44	Shop Machinery	272,136.06
45	Power Plant Machinery	27,858.97
46	Power Sub-Station Apparatus	6,618.39
47	Unapplied Construction Material and Supplies	15,658.25
		\$18,538,152.62
EQUIPMENT:		
51	Steam Locomotives	\$248,924.30
52	Other Locomotives	64,322.26
53	Freight Train Cars	395,158.91
54	Passenger Train Cars	785,293.66
55	Motor Equipment of Cars	14,736.58
56	Floating Equipment	1,226,226.54
57	Work Equipment	622,187.74
58	Miscellaneous Equipment	36,406.79
		\$2,105,090.36
GENERAL:		
72	General Officers and Clerks	\$5,826.37
73	Law	19.18
74	Stationery and Printing	8,434.03
75	Taxes	1,507.50
76	Interest during Construction	244,971.91
77	Other Expenditures—General	22,791.23
		\$237,967.76
Total		\$20,881,210.74
Investment Expenditures under Suspense Appropriations		587,778.34
Investment Expenditures by Separately Operated Properties		1,802,712.13
Transfer between Balance Sheet Accounts not applicable to Year's Expenditures		4,283,617.08
Change in A/c 701 during Year		\$17,812,527.45
Balance at January 1, 1926:		
	Canadian National Railways	\$1,855,037,567.94
	Central Vermont Railway	28,544,006.12
	Hudson Bay Railway	14,944,515.21
		1,886,637,058.85
Balance at December 31, 1926, as per Balance Sheet		\$1,886,449,586.30

CANADIAN NATIONAL RAILWAYS

A/C 702—IMPROVEMENTS ON LEASED RAILWAY PROPERTY DURING YEAR 1926

ROAD:		
1	Engineering.....	\$13,232.06
2	Land for Transportation Purposes.....	107.80
3	Grading.....	106,482.11
6	Bridges, Trestles and Culverts.....	68,723.62
8	Ties.....	7,436.98
9	Rails.....	49,338.02
10	Other Track Material.....	86,047.02
11	Ballast.....	15,375.10
12	Track Laying and Surfacing.....	22,419.64
13	Right-of-Way Fences.....	609.23
14	Snow and Sand Fences and Snow Sheds.....	1,112.01
15	Crossings and Signs.....	86,781.77
16	Station and Office Buildings.....	12,915.47
17	Roadway Buildings.....	4,462.79
18	Water Stations.....	1,073.70
19	Fuel Stations.....	7,708.47
20	Shops and Enginehouses.....	93,587.13
21	Grain Elevators.....	8,730.75
23	Wharves and Docks.....	67.26
26	Telegraph and Telephone Lines.....	2,719.26
27	Signals and Interlockers.....	188.49
32	Power Distribution Systems.....	2,117.35
33	Power Lines, Poles and Fixtures.....	69.36
35	Miscellaneous Structures.....	8,235.00
37	Roadway Machines.....	282.72
39	Assessments for Public Improvements.....	9,365.81
44	Shop Machinery.....	20,879.51
		\$577,778.07
EQUIPMENT:		
58	Miscellaneous Equipment.....	\$2,000.00
Total.....		\$575,778.07
Investment Expenditures under Suspense Appropriations.....		\$11,568.13
Investment Expenditures by Separately Operated Properties.....		51,619.41
Transfers between Balance Sheet Accounts not applicable to Year's Expenditures.....		1,522,346.85
Change in A/c 702 during year.....		\$986,620.06
Balance at January 1, 1926:		
	Canadian National Railways.....	\$6,291,279.95
	Central Vermont Railway.....	660,207.74
Balance at December 31, 1926, as per Balance Sheet.....		\$5,964,867.63

CANADIAN NATIONAL RAILWAYS

STATEMENT SHOWING DETAILS OF EQUIPMENT OWNED DECEMBER 31, 1925 ADDITIONS, RETIREMENTS AND POSITION AT DECEMBER 31, 1926

	December 31, 1925	Additions During Year	Retirements During Year	December 31, 1926
LOCOMOTIVES:				
Passenger—Freight.....	2,714	6	93	2,627
Switching.....	512		6	506
Electric Locomotives.....	12			12
Total Locomotives.....	3,238	6	99	3,145
FREIGHT EQUIPMENT:				
Box Cars.....	87,800	8	1,713	86,095
Flat Cars.....	11,110	18	602	10,526
Stock Cars.....	5,877		164	5,713
Coal Cars.....	17,142	65	295	16,912
Tank Cars.....	142	40	1	181
Refrigerator Cars.....	3,069	60	50	3,079
Caboose Cars.....	1,807	28	34	1,801
Other Cars in Freight Service.....	1,951	13	242	1,722
Total Freight Equipment.....	128,898	232	3,101	126,029
PASSENGER EQUIPMENT:				
First Class Cars.....	1,009	2	18	993
Second Class Cars.....	252	5	6	251
Combination Cars.....	290		18	272
Immigrant Cars.....	332		5	327
Dining Cars.....	85			85
Parlor Cars.....	133	2	2	133
Sleeping Cars.....	255		4	251
Postal Cars.....	97		10	87
Baggage and Express Cars.....	1,062	60	12	1,110
Unit Cars.....	40	7	4	43
Other Cars in Passenger Service.....	93	26	3	116
Total Passenger Equipment.....	3,648	102	82	3,668
IN COMPANY'S SERVICE:				
Business and Pay Cars.....	74	1	2	73
All Other Cars in Company's Service.....	7,193	556	364	7,385
Total in Company's Service.....	7,267	557	366	7,458
Total Cars.....	139,813	891	3,549	137,155
FLOATING EQUIPMENT:				
Steamers.....	2			2
Car Ferries.....	8	1		9
Barges.....	5			5
Tugs.....	3			3
Work.....	4			4

CANADIAN NATIONAL RAILWAYS

COMPARATIVE STATEMENT OF OPERATING REVENUE PAID IN LABOUR AND THE AVERAGE NUMBER OF EMPLOYEES

	1926	1925	Increase or Decrease	% Increase or Decrease
Gross Earnings.....	\$275,570,310.28	\$253,708,774.19	I. \$21,861,536.09	8.62
Operating Labour.....	135,990,307.53	131,162,256.07	I. 4,828,051.46	3.68
Ratio of Labour to Gross Earnings.....	49.35	51.70	D. 2.35	4.55
Comparison of Payroll (including Betterments).....	152,653,720.00	145,364,754.00	I. 7,288,966.00	5.01
Average Number of Employees.....	102,653	98,464	I. 4,189	4.25

COMPARATIVE STATEMENT SHOWING DISTRIBUTION OF OPERATING RATIO AS BETWEEN LABOUR, FUEL AND OTHER EXPENSES

	1926	1925	Increase or Decrease	% Increase or Decrease
Labour.....	49.35	51.70	D. 2.35	4.55
Fuel.....	9.24	10.52	D. 1.28	12.17
Other Expenses.....	23.91	24.60	D. .69	2.80
Total.....	82.50	86.82	D. 4.32	4.98

COMPARATIVE STATEMENT SHOWING DISTRIBUTION OF OPERATING RATIO OVER GENERAL ACCOUNTS

	1926	1925
Maintenance of Way and Structures.....	17.61	17.64
Maintenance of Equipment.....	18.58	19.44
Traffic.....	2.55	2.72
Transportation—Rail.....	40.43	43.51
Miscellaneous Operations.....	.85	.90
General.....	2.86	2.96
Transportation for Investment—Credit.....	.38	.35
Total.....	82.50	86.82

COMPARATIVE STATEMENT SHOWING DISTRIBUTION OF DOLLAR SPENT AS BETWEEN LABOUR, FUEL AND OTHER EXPENSES

	1926—Cents	1925—Cents
Labour.....	60	60
Fuel.....	11	12
Other Expenses.....	29	28
Total.....	\$1.00	\$1.00

COMPARATIVE STATEMENT SHOWING DISTRIBUTION OF DOLLAR SPENT OVER GENERAL ACCOUNTS

	1926—Cents	1925—Cents
Maintenance of Way and Structures.....	21	20
Maintenance of Equipment.....	23	23
Traffic.....	3	3
Transportation—Rail.....	49	50
Miscellaneous Operations.....	1	1
General.....	3	3
Transportation for Investment—Credit.....	..	..
Total.....	\$1.00	\$1.00

CANADIAN NATIONAL RAILWAYS

LOANS FROM DOMINION OF CANADA

	Principal Outstanding at Dec. 31, 1926	Interest Accrued 1926	Interest Accrued 1925
CANADIAN NATIONAL—GRAND TRUNK:			
6% Loan—Vote 478, Appropriation 4, 1920.....	\$25,000,000.00	\$1,500,000.00	\$1,500,000.00
6% Loan—Vote 126, Appropriation 2, 1921.....	55,293,435.18	3,317,606.10	3,317,606.10
6% Loan—Vote 137, Appropriation 2, 1922.....	23,288,747.15	1,397,324.82	1,397,324.82
5% Loan—Vote 377, Appropriation Act, 1925.....	2,149,381.75	89,714.61	—
4% Loan to G.T.P. Rly., Chap. 23, Acts of 1913.....	15,000,000.00	600,000.00	600,000.00
Sundry Items.....	100,000.00	23,125.30	114,752.82
GRAND TRUNK PACIFIC:			
6% Loan—Chapter 4, Acts of 1915.....	6,000,000.00	360,000.00	360,000.00
6% Loan—Appropriation Act No. 2, Acts of 1916.....	4,555,843.45	273,350.60	273,350.60
6% Loan—Appropriation Act No. 4, Acts of 1917.....	4,196,073.72	251,764.42	251,764.42
6% Loan—Appropriation, Acts of 1919.....	5,787,439.93	347,246.40	347,246.40
Advances to pay Guaranteed Interest (1919 to 1926).....	23,664,210.51	—	—
Receiver's Advances 5% and 6% (1919 to 1926).....	53,403,855.11	3,142,394.68	3,081,487.44
3% G.T.P. Rly. Bonds held by Dominion Government.....	33,048,000.00	991,440.00	991,440.00
CANADIAN NORTHERN RAILWAY: (NOTE)			
3½% Loan—Chap. 6, Acts of 1911.....	2,396,099.68	83,863.48	83,863.48
4% Loan—Chap. 20, Acts of 1914.....	5,294,000.02	211,760.00	211,760.00
5% Loan—Chap. 4, Acts of 1915.....	10,000,000.00	500,000.00	500,000.00
6% Loan—Chap. 29, Acts of 1916.....	15,000,000.00	900,000.00	900,000.00
6% Loan—Chap. 24, Acts of 1917.....	25,000,000.00	1,500,000.00	1,500,000.00
6% Loan—Act No. 1, Acts of 1918.....	25,000,000.00	1,500,000.00	1,500,000.00
6% Loan—War Measure Act of 1918.....	1,887,821.16	113,269.26	113,269.26
6% Equipment Loans—Chap. 38, Acts of 1918.....	13,951,328.28	837,079.70	837,079.70
6% Loan—Vote 108, Appropriation 4, Acts of 1919.....	35,000,000.00	2,100,000.00	2,100,000.00
6% Equipment Loan—Vote 96, Acts of 1919.....	23,362,212.73	1,401,732.76	1,401,732.76
6% Loan—Vote 127, Appropriation 4, 1920.....	48,611,077.00	2,916,664.62	2,916,664.62
6% Equipment Loan—Vote 115, Acts of 1920.....	15,503,426.34	930,205.58	930,205.58
6% Equipment Loans—Vote 113, Acts of 1921.....	1,725,723.30	103,543.40	103,543.40
6% Loan—Vote 126, Appropriation 2, 1921.....	44,419,806.42	2,665,188.38	2,665,188.38
6% Loan—Vote 136, Appropriation 1, 1922.....	42,800,000.00	2,568,000.00	2,568,000.00
6% Equipment Loans—Note 115, 1922-1923.....	2,315,805.79	138,948.34	138,948.34
6% Loan—Vote 139, Appropriation Act, 1923.....	12,655,019.57	759,301.17	759,301.17
5% Loan—Vote 137, Appropriation Act, 1924.....	1,318,315.86	65,915.79	215,358.24
5% Loan—Vote 377, Appropriation Act, 1925.....	9,496,718.21	396,390.41	—
5% Loan—Vote 372, Appropriation Act, 1926.....	7,076,025.84	150,874.44	—
	\$594,300,367.00	\$32,090,453.66	\$31,450,381.89

NOTE:—In respect of the advances under this heading the Government has security by guarantee, mortgage or otherwise, in accordance with the conditions under which said advances were made.

CANADIAN NATIONAL RAILWAYS

A/C 546—"INTEREST ON FUNDED DEBT"

A/C 755—"UNMATURED FUNDED DEBT"

NAME OF SECURITY	Issuing Company	Date of Maturity	Principal Outstanding at Dec. 31, 1926	Interest Accrued 1926	Interest Accrued 1925
GUARANTEED BY DOMINION GOVERNMENT:					
5% Perpetual Debenture Stock.....	G.T.R.....	Perpetual.....	\$ 20,782,491.67	\$ 1,039,124.58	\$ 1,039,124.58
5% G.W. Perpetual Deb. Stock & Bonds...	G.T.R.....	Perpetual.....	13,252,322.67	662,616.12	662,616.12
4% Perpetual Debenture Stock.....	G.T.R.....	Perpetual.....	119,839,014.33	4,793,560.56	4,793,560.56
4% Nor. Rly. Perpetual Deb. Stock.....	G.T.R.....	Perpetual.....	1,499,979.67	59,999.18	59,999.18
4% Perpetual Guaranteed Stock.....	G.T.R.....	Perpetual.....	60,833,333.33	2,433,333.33	2,433,333.33
7% Sinking Fund Gold Deb. Bonds.....	G.T.R.....	Oct. 1, 1940.....	24,743,000.00	1,732,010.00	1,732,010.00
6% Sinking Fund Gold Deb. Bonds.....	G.T.R.....	Sept. 1, 1936.....	25,000,000.00	1,500,000.00	1,500,000.00
3% 1st Mtge. Bonds (ex Govt. holdings)...	G.T.P.....	Jan. 1, 1962.....	34,992,000.00	1,049,760.00	1,049,760.00
4% Sterling Bonds, due 1962.....	G.T.P.....	Jan. 1, 1962.....	8,440,848.00	337,633.92	337,633.92
3% 1st Mortgage Debenture Stock.....	Can. Nor.....	July 10, 1953.....	9,359,996.72	280,799.86	280,799.86
3½% 1st Mortgage Debenture Stock.....	Can. Nor.....	July 20, 1958.....	7,896,575.10	276,380.14	276,380.46
4% Debenture Stock and Bonds.....	Can. Nor.....	Sept. 1, 1934.....	17,060,333.33	682,413.34	682,413.34
7% Sinking Fund Debenture Bonds.....	Can. Nor.....	Dec. 1, 1940.....	24,793,000.00	1,735,510.00	1,735,510.00
6½% Sinking Fund Debenture Bonds.....	Can. Nor.....	July 1, 1946.....	25,000,000.00	1,625,000.00	1,625,000.00
4½% 10 year Gold Bonds.....	Can. Nor.....	Feb. 15, 1935.....	17,000,000.00	765,000.00	667,279.07
3½% 1st Mortgage Debenture Stock.....	C.N.A.....	May 4, 1960.....	3,149,998.66	110,249.94	110,249.94
3½% 1st Mortgage Debenture Stock.....	C.N.O.....	May 19, 1961.....	34,229,996.87	1,198,049.84	1,198,049.84
5% Equipment Trust—Series "G".....	Can. Nat.....	Serially 1/8/1938	18,000,000.00	925,000.00	1,000,000.00
5% 30 year Bonds.....	Can. Nat.....	Feb. 1, 1954.....	50,000,000.00	2,500,000.00	2,500,000.00
4% 3 year Guaranteed Gold Notes.....	Can. Nat.....	July 1, 1927.....	20,000,000.00	800,000.00	800,000.00
4½% 30 year Guaranteed Gold Bonds.....	Can. Nat.....	Sept. 15, 1954.....	26,000,000.00	1,170,000.00	1,170,000.00
4½% 5 year Gold Bonds.....	Can. Nat.....	Feb. 15, 1930.....	18,000,000.00	810,000.00	706,530.78
GUARANTEED BY PROVINCE OF ONTARIO:					
3½% 1st Mortgage Debenture Stock.....	C.N.O.....	1936 and 1938...	7,859,997.59	275,099.90	275,099.90
GUARANTEED BY PROVINCE OF MANITOBA:					
4% Consolidated Debenture Bonds.....	Can. Nor.....	June 30, 1930...	10,785,993.31	431,439.73	431,416.74
4% Sifton Branch Bonds.....	Can. Nor.....	Feb. 1, 1929.....	1,137,340.00	45,493.60	45,493.60
4% Gilbert Plains Branch Bonds.....	Can. Nor.....	Nov. 1, 1930.....	2,433.33	97.32	97.32
4% Man. & South Eastern Bonds.....	Can. Nor.....	Feb. 1, 1929.....	510,513.34	20,420.53	20,442.91
4% Ontario Division Bonds.....	Can. Nor.....	June 30, 1930.....	5,680,373.33	227,205.19	227,166.27
*4½% Ontario Division Bonds.....	Can. Nor.....	June 30, 1930.....	64,240.00	2,901.75	2,945.55
4% Winnipeg Terminal Bonds.....	Can. Nor.....	July 1, 1939.....	3,000,000.00	120,000.00	120,000.00
4% 1st Mortgage Debenture Stock.....	Can. Nor.....	June 30, 1930.....	2,859,998.87	114,399.92	114,399.92
4% Province of Manitoba Bonds.....	Can. Nor.....	Oct. 1, 1930.....	349,000.00	13,960.00	13,960.00
GUARANTEED BY PROVINCE OF SASKATCHEWAN:					
4% 1st Mortgage Bonds.....	G.T.P.B.L.....	Jan. 22, 1939....	9,874,062.00	394,962.48	394,962.48
4% 1st Mortgage Debenture Stock.....	Can. Nor.....	Jan. 23, 1939....	8,029,999.99	321,200.00	321,200.00
GUARANTEED BY PROVINCE OF ALBERTA:					
4% 1st Mortgage Bonds—1942.....	G.T.P.B.L.....	Feb. 15, 1942....	1,153,764.00	46,150.56	46,150.56
4% 1st Mortgage Bonds—1939.....	G.T.P.B.L.....	Feb. 25, 1939....	2,430,000.00	97,200.00	97,200.00
4% 1st Mortgage Debenture Stock.....	Can. Nor.....	Feb. 25, 1939....	5,586,665.64	223,466.62	223,466.62
4½% 1st Mtge. Deb. Stock & Bonds—1943	C.N.W.....	Oct. 22, 1943....	2,799,997.73	125,999.90	125,999.90
4½% 1st Mtge. Deb. Stock & Bonds—1942	C.N.W.....	Feb. 16, 1942....	6,424,000.00	289,080.00	289,080.00
GUARANTEED BY PROVINCE OF BRITISH COLUMBIA:					
4% 1st Mortgage Debenture Stock.....	C.N.P.....	April 2, 1950....	16,412,001.13	656,480.07	656,480.07
4½% Terminal Debenture Stock.....	C.N.P.....	April 2, 1950....	8,614,000.00	387,630.00	387,630.00
Carried Forward.....			\$673,447,270.61	\$30,279,628.38	\$30,153,442.82

*These securities are not guaranteed but may be exchanged for 4% Ontario Division Bonds.

CANADIAN NATIONAL RAILWAYS

A/C 546—"INTEREST ON FUNDED DEBT"—Continued

A/C 755—"UNMATURED FUNDED DEBT"—Continued

NAME OF SECURITY	Issuing Company	Date of Maturity	Principal Outstanding at Dec. 31, 1926	Interest Accrued 1926	Interest Accrued 1925
Brought Forward.....			\$673,447,270.61	\$30,279,628.38	\$30,153,442.82
UNGUARANTEED (BY PROVINCES OR DOMINION):					
4% Canada Atlantic 1st Mtge. Bonds.....	G.T.R.....	Jan. 1, 1955.....	16,000,092.00	640,003.68	640,003.68
7% Wellington, Grey & Bruce Bonds.....	G.T.R.....	By drawings.....	219,000.00	27,738.85	26,876.66
6% Northern Railway 3rd Pref. Bonds.....	G.T.R.....	Indeterminable...	70,566.66	4,234.00	4,234.00
5% Equipment Trust—Series "D".....	G.T.R.....	Serially 1/8/1927	250,000.00	16,666.66	29,166.67
6% Equipment Trust Notes "U.S.R.A.".....	G.T.R.....	" 15/1/1935	539,100.00	32,346.00	35,940.00
6½% Equipment Trust Certificates "F".....	G.T.R.....	Feb. 1, 1936.....	11,230,000.00	729,950.00	729,950.00
3¾% 1st Mortgage Bonds.....	N.E. Elev.....	Serially 1/7/1941	150,000.00	5,812.50	6,187.50
4% 1st Mortgage Bonds.....	Port. Elev.....	Serially 1/1/1937	55,000.00	2,200.00	2,400.00
4% 1st Mortgage Bonds.....	Pem. Southern.....	Sept. 1, 1956.....	150,000.00	6,000.00	6,000.00
4% 2nd Mortgage Prairie "A".....	G.T.P.....	April 1, 1955.....	10,206,000.00	408,240.00	408,240.00
4% 2nd Mortgage Mountain "B".....	G.T.P.....	April 1, 1955.....	9,963,000.00	398,520.00	398,520.00
4% 1st Mortgage Lake Superior.....	G.T.P.....	April 1, 1955.....	7,533,000.00	301,320.00	301,320.00
*4% Perpetual Debenture Stock.....	G.T.P.....	Perpetual.....	34,879,252.86	348,792.53	1,395,170.12
4% Perpetual Con. Debenture Stock.....	Can. Nor.....	Perpetual.....	44,943,019.40	1,797,720.74	1,797,720.74
4½% Prince Albert Branch Bonds.....	Can. Nor.....	June 30, 1930.....	300,000.00	13,500.00	13,500.00
6% Equipment Trust—Series "A".....	Can. Nor.....	Serially 1/7/1928	800,000.00	61,500.00	88,500.00
6% Equipment Trust—Series "B".....	Can. Nor.....	" 1/1/1929	1,875,000.00	123,750.00	168,750.00
6% Equipment Trust—Series "C".....	Can. Nor.....	" 1/5/1929	1,875,000.00	138,750.00	183,750.00
6% Equipment Trust—Series "D".....	Can. Nor.....	" 1/12/1929	2,250,000.00	165,000.00	210,000.00
7% Equipment Trust—Series "E".....	Can. Nor.....	May 1, 1935.....	14,000,000.00	980,000.00	980,000.00
5% Equipment Trust—Series "L-1".....	Can. Nor.....	Serially 1/8/1926	—	2,083.33	8,600.00
4% Perpetual Con. Debenture Stock.....	C.N.O.....	Perpetual.....	8,724,113.20	348,964.50	348,964.50
5% 1st Mortgage Bonds.....	C.O.R.....	Jan. 1, 1934.....	774,773.33	38,908.99	39,237.51
5% 1st Mortgage Bonds.....	Bay of Quinté.....	Jan. 2, 1927.....	730,000.00	36,500.00	36,500.00
4% Perpetual Con. Debenture Stock.....	C.N.O.....	Perpetual.....	5,250,369.26	210,014.76	210,014.76
4% 1st Mortgage Gold Bonds.....	G.N. of C.....	Oct. 1, 1934.....	3,510,250.00	140,410.00	140,410.00
4% 1st Mortgage Perp. Deb. Stock.....	Q. & L. St. J.....	Perpetual.....	4,252,503.06	170,100.14	170,100.14
3½% 1st Mortgage Bonds.....	H. & S.W.....	Sept. 30, 1942.....	4,447,000.00	155,645.00	155,645.00
4% 1st Mortgage Debenture Stock.....	Q.L.L. & S.R.R.....	July 1, 1936.....	5,019,701.43	200,784.16	200,781.14
5% 1st Mortgage Rent Charge Bonds.....	M.R.Tnl.&Tml.....	April 15, 1970.....	1,697,493.33	85,960.55	89,940.05
5% 1st Mortgage Bonds.....	C.N.C. & O.Dock	Jan. 1, 1936.....	1,375,000.00	68,750.00	68,750.00
4% 1st Mortgage Debenture Bonds.....	D.W. & P.....	June 1, 1939.....	7,004,997.27	280,199.89	280,200.00
4% 1st Mortgage Bonds.....	G.T.W.....	July 1, 1950.....	10,964,416.00	438,576.64	438,576.64
6% Equipment Trust Notes "U.S.R.A.".....	G.T.W.....	Serially 15/1/35	1,858,500.00	112,026.25	124,416.25
5% 1st Mortgage Bonds.....	G.T. Jct.....	Jan. 1, 1934.....	938,960.00	46,948.00	46,948.00
4½% Equipment Trust—Series "H".....	Can. Nat.....	Serially 1/7/1939	8,125,000.00	379,687.50	407,812.50
5% Refunding Mtge. Gold Bonds.....	C.V. Rly.....	May 1, 1930.....	8,659,000.00	430,315.00	433,415.00
6% Equipment Trust Notes—Series "E".....	C.V. Rly.....	Serially 1/5/1930	313,000.00	22,210.00	28,090.00
5% Equipment Trust Notes—Series "F".....	C.V. Rly.....	Ser. 1/10/1932.....	575,000.00	31,150.00	36,326.30
6% U.S. Government Notes.....	C.V. Rly.....	Retired 1926.....	—	6,753.70	16,257.49
4% 1st Mortgage Bonds.....	M. & P.L. Rly.....	Oct. 1, 1950.....	200,000.00	8,000.00	8,000.00
4% Indebtedness.....	S.S. & C.R.R.....	Optional.....	155,865.25	6,234.60	6,234.60
Interest on Securities retired in 1925.....	Can. Nor.....		—	—	91,666.66
Fixed Charges due Public per Income A/C 546.....				\$39,701,896.35	\$40,966,558.73
4% Montreal Warehousing Co. Firsts.....		April 1, 1936.....	136,000.00	Charged to A/C 512 or 545 do. do. do. do. Interest not earned.	
5% Rail & River Coal Co. Firsts.....		April 1, 1938.....	1,465,000.00		
5% Niagara, St. Catharines & Toronto Ry. Co. Firsts.....		Nov. 1, 1929.....	1,098,000.00		
4½% Toronto Suburban Debenture Stock.....		July 15, 1961.....	2,628,000.00		
Canadian National Realities Ltd. Outstanding Mtges.....		Various.....	607,020.00		
5% Canadian Northern Income Charge Deb. Stock.....		May 6, 1930.....	24,137,846.08		
Total Debt held by Public (including bonds held in Sinking Funds) as per Balance Sheet A/C 755.....			\$935,383,109.74		

*To be exchanged for Dominion Guaranteed Stock. Interest for 1926 in accordance with agreement with stockholders.

STATISTICS OF RAIL-LINE OPERATION

FREIGHT TRAIN CAR MILEAGE

PASSENGER TRAIN CAR MILEAGE28

CANADIAN NATIONAL RAILWAYS

STATISTICS OF RAIL-LINE OPERATION

Item No.	Year 1926	Year 1925	Item No.	Year 1926	Year 1925
1. AVERAGE MILEAGE OF ROAD OPERATED.....					
FREIGHT SERVICE:					
91 Tons—Revenue Freight.....	63,568,779	57,648,158	131 Loaded Freight Car-Miles—Freight Trains.....	26.10	25.64
92 Tons—Non-Revenue Freight.....	10,886,802	9,725,629	132 Loaded Freight Car-Miles—Mixed Trains.....	6.11	6.08
93 Tons—Total.....	74,155,581	67,373,787	133 Empty Freight Car-Miles—Freight Trains.....	13.17	13.15
94 Ton Miles—Revenue Freight.....	19,812,953,935	18,527,148,862	134 Empty Freight Car-Miles—Mixed Trains.....	2.44	2.47
95 Ton Miles—Non-Revenue Freight.....	2,141,693,402	1,796,812,882	135 Ton-Miles—Revenue Freight.....	542.00	538.28
96 Ton Miles—Total.....	21,954,647,337	20,323,961,744	136 Ton-Miles—All Freight.....	600.96	590.83
PASSENGER SERVICE:					
97 Passengers Carried—Revenue.....	22,240,390	22,372,724	137 Passenger Train Car-Miles—Passenger Trains.....	6.88	6.80
98 Passenger Miles.....	1,477,755,975	1,417,635,163	138 Passenger Train Car-Miles—Mixed Trains.....	2.01	2.03
REVENUES AND EXPENSES:					
101 Freight Revenue.....	\$207,157,028.09	\$187,763,637.13	139 Revenue Passenger Miles.....	57.07	55.32
102 Passenger Revenue.....	39,427,264.87	37,963,479.53	140 Freight Revenue.....	\$5.70	\$5.49
103 Passenger Service Train Revenue.....	60,558,788.69	58,508,436.20	141 Passenger Service Train Revenue.....	\$2.34	\$2.28
104 Operating Revenues.....	275,570,310.28	253,708,774.19	142 Operating Revenues.....	\$4.43	\$4.24
105 Operating Expenses.....	227,345,280.64	220,265,476.15	143 Operating Expenses.....	\$3.65	\$3.68
106 Net Operating Revenue.....	48,225,029.64	33,443,298.04	144 Net Operating Revenue.....	\$.56	\$.78
AVERAGES PER LOADED FREIGHT CAR MILE:					
111 Freight Train Miles.....	1,484	1,390	151 Train Miles—Freight Trains.....	.96	.96
112 Passenger Train Miles.....	1,120	1,112	152 Car Miles—Freight Trains.....	38.56	38.26
113 Mixed Train Miles.....	155	166	153 Train Miles—Passenger Trains.....	.98	.97
114 Special Train Miles.....	2	1	154 Car Miles—Passenger Trains.....	7.00	6.80
115 Transportation Service Train Miles.....	2,761	2,669	155 Train Miles—Mixed Trains.....	.98	.99
116 Work Train Miles.....	111	95	156 Car Miles—Mixed Trains.....	10.73	10.83
117 Locomotive Train Miles—Transportation.....	3,638	3,511	157 Train Miles—Special Trains.....	.91	.89
118 Freight Service Car Miles.....	61,190	56,821	158 Car Miles—Special Trains.....	13.46	12.61
119 Passenger Service Car Miles.....	8,030	7,907	AVERAGES PER LOADED FREIGHT CAR MILE:		
120 Freight Revenue.....	\$9,186.97	\$8,374.84	161 Ton Miles—Revenue Freight.....	22.00	22.40
121 Passenger Service Train Revenue.....	\$2,685.65	\$2,609.66	162 Ton Miles—All Freight.....	24.39	24.59
122 Operating Revenues.....	\$12,220.95	\$11,316.19	163 Freight Revenue.....	\$0.23151	\$0.22852
123 Operating Expenses.....	\$10,082.28	\$9,824.52	AVERAGES PER CAR MILE—PASSENGER:		
124 Net Operating Revenues.....	\$2,138.67	\$1,491.67	171 Passenger Miles—Revenue.....	13.09	12.99
125 Ton Miles—Revenue Freight.....	873,063	820,992	172 Passenger Revenue.....	\$0.34931	\$0.34774
126 Ton Miles—All Freight.....	968,043	901,135	MISCELLANEOUS AVERAGES:		
127 Passenger Miles—Revenue.....	65,535	63,231	181 Miles Hauled—Revenue Freight.....	311.68	321.38
			182 Miles Hauled—Non-Revenue Freight.....	202.30	184.75
			183 Miles Hauled—All Freight.....	296.06	301.66
			184 Miles Carried—Revenue Passengers.....	66.44	63.36
			185 Revenue Per Ton of Freight.....	\$ 3.25879	\$ 3.25706
			186 Revenue Per Ton-Mile of Freight.....	\$ 0.01046	\$ 0.01013
			187 Revenue Per Passenger.....	\$ 1.77278	\$ 1.69686
			188 Revenue Per Passenger-Mile.....	\$ 0.02668	\$ 0.02678
			189 Operating Ratio.....	82.50%	86.82%

CANADIAN NATIONAL RAILWAYS

COMPARATIVE STATEMENT OF REVENUE TONNAGE BY COMMODITIES

	Year 1926	Year 1925	Increase Decrease
PRODUCTS OF AGRICULTURE:	Tons	Tons	Tons
Wheat.....	6,215,751	5,682,992	532,759
Corn.....	509,823	424,128	85,695
Oats.....	902,786	1,016,415	113,629
Barley.....	530,291	549,597	19,306
Rye.....	95,488	105,798	10,310
Flax (Seed).....	64,711	84,739	20,028
Other Grain.....	86,656	124,048	37,392
Flour.....	1,147,216	1,113,872	33,344
Other Mill Products.....	1,030,608	868,474	162,134
Hay and Straw.....	586,041	440,843	145,198
Cotton.....	55,997	62,530	6,533
Apples (Fresh).....	119,438	88,344	31,094
Other Fresh Fruits.....	346,135	302,610	43,525
Potatoes.....	335,434	332,386	3,048
Other Fresh Vegetables.....	167,138	152,807	14,331
Other Products of Agriculture.....	546,554	432,685	113,869
Total.....	12,740,067	11,782,268	957,799
PRODUCTS OF ANIMALS:			
Horses and Mules.....	50,025	49,058	967
Cattle and Calves.....	438,287	438,918	631
Sheep and Goats.....	40,856	38,557	2,299
Hogs.....	214,670	232,294	17,624
Dressed Meats (Fresh).....	209,274	235,191	25,917
Dressed Meats (Cured or Salted).....	79,928	73,221	6,707
Other Packing House Products.....	150,153	134,158	15,995
Poultry.....	22,899	20,234	2,665
Eggs.....	52,498	57,802	5,304
Butter and Cheese.....	161,375	152,839	8,536
Wool.....	19,582	21,473	1,891
Hides and Leather.....	86,291	80,701	5,590
Other Products of Animals.....	44,795	49,455	4,660
Total.....	1,570,633	1,583,901	13,268
PRODUCTS OF MINES:			
Anthracite Coal.....	3,079,267	2,818,692	260,575
Bituminous Coal.....	7,991,577	7,231,202	760,375
Lignite Coal.....	1,881,334	1,850,671	30,663
Coke.....	812,718	726,084	86,634
Iron Ores.....	566,655	409,152	157,503
Other Ores and Concentrates.....	338,334	313,964	24,370
Bullion and Matte.....	54,608	52,699	1,909
Clay, Gravel, Sand and Crushed Stone.....	5,321,065	3,787,496	1,533,569
Slate, Stone, Granite (Dimension or Block).....	895,560	921,679	26,119
Crude Petroleum.....	184,259	122,525	61,734
Asphaltum.....	103,499	76,638	26,861
Salt.....	430,073	445,290	15,217
Other Products of Mines.....	195,032	224,885	29,853
Total.....	21,853,981	18,980,977	2,873,004
PRODUCTS OF FORESTS:			
Logs, Posts, Poles and Cordwood.....	2,223,492	2,032,385	191,107
Ties.....	129,410	135,050	5,640
Pulpwood.....	2,810,432	2,715,894	94,538
Sawed Lumber, Timber, Box Shooks, Staves and Headings.....	4,999,348	4,864,049	135,299
Other Products of Forests.....	240,721	203,019	37,702
Total.....	10,403,403	9,950,397	453,006
Carried Forward.....	46,568,084	42,297,543	4,270,541

CANADIAN NATIONAL RAILWAYS

COMPARATIVE STATEMENT OF REVENUE TONNAGE BY COMMODITIES—Continued

	Year 1926	Year 1925	Increase Decrease
	Tons	Tons	Tons
Brought Forward	46,568,084	42,297,543	4,270,541
MANUFACTURES AND MISCELLANEOUS:			
Refined Petroleum and its Products	1,685,433	1,489,540	195,893
Sugar, Syrup, Glucose and Molasses	393,020	457,342	64,322
Iron, Pig and Bloom	310,309	298,155	12,154
Rails and Fastenings	69,428	56,437	12,991
Bar and Sheet Iron, Structural Iron and Iron Pipe	833,314	786,385	46,929
Castings, Machinery and Boilers	434,007	320,150	113,857
Cement	1,051,380	1,117,690	66,310
Brick and Artificial Stone	528,932	495,715	33,217
Lime and Plaster	397,728	418,460	20,732
Sewer Pipe and Drain Tile	121,448	114,258	7,190
Agriculture Implements and Vehicles other than Autos	200,794	136,544	64,250
Automobiles and Auto Trucks	1,239,155	895,326	343,829
Household Goods and Second-hand Furniture	46,059	42,298	3,761
Furniture (new)	62,382	70,005	7,623
Liquor and Beverages	118,486	117,988	498
Fertilizer	177,549	170,453	7,096
Paper, Printed Matter and Books	1,128,240	1,034,948	93,292
Wood Pulp	1,100,029	1,094,085	5,944
Fish (fresh, frozen, smoked or salted)	84,615	69,228	15,387
Canned Meats	838	1,362	524
Canned Goods (all canned food products other than Meat)	191,640	184,041	7,599
Other Manufactures and Miscellaneous	4,135,776	3,661,829	473,947
Merchandise	2,690,133	2,318,376	371,757
Total	17,000,695	15,350,615	1,650,080
Grand Total	63,568,779	57,648,158	5,920,621

CANADIAN NATIONAL RAILWAYS

SCHEDULE OF COMPANIES COMPRISING THE CANADIAN NATIONAL RAILWAY SYSTEM

NAME OF ISSUING COMPANY	Capital Stock	Held by System	Held by Govern- ment and others
CANADIAN NATIONAL RAILWAY COMPANY.....	\$180,424,327.70	†\$14,796,589.00	†\$165,627,738.70
Bay City Terminal Railway Company.....	15,000.00	15,000.00	
*Canada Atlantic Transit Company.....	219,000.00	219,000.00	
*Canada Atlantic Transit Company of U.S.....	250,000.00	250,000.00	
The Canadian Express Company.....	1,768,800.00	1,768,800.00	
The Champlain and St. Lawrence Railroad Company.....	50,000.00	50,000.00	
*Chicago, New York and Boston Refrigerator Company.....	1,129,400.00	1,129,400.00	
Detroit, Grand Haven and Milwaukee Railway Company.....	1,500,000.00	1,500,000.00	
Grand Rapids Terminal Railroad Company.....	50,000.00	50,000.00	
The Grand Trunk Junction Railway Company.....	500,000.00	500,000.00	
Grand Trunk Western Railway Company.....	6,000,000.00	6,000,000.00	
International Bridge Company.....	1,500,000.00	1,500,000.00	
The Lachine, Jacques Cartier and Maisonneuve Railway Company.....	1,200.00	1,200.00	
The Michigan Air Line Railway.....	300,000.00	300,000.00	
*Montreal and Southern Counties Railway Company.....	500,000.00	309,500.00	190,500.00
The Maganetawan River Railway Company.....	30,000.00	30,000.00	
*The Montreal Warehousing Company.....	236,000.00	221,100.00	14,900.00
New England Elevator Company.....	400,000.00	400,000.00	
*The Oshawa Railway Company.....	40,000.00	40,000.00	
The Ottawa Terminals Railway Company.....	250,000.00	250,000.00	
The Pembroke Southern Railway Company.....	107,800.00	90,500.00	17,300.00
Portland Elevator Company.....	50,000.00	50,000.00	
*Rail and River Coal Company.....	2,000,000.00	2,000,000.00	
St. Clair Tunnel Company.....	700,000.00	700,000.00	
*The Terminal Warehousing Company, Limited.....	1,000,000.00	1,000,000.00	
*The Thousand Islands Railway Company.....	60,000.00	60,000.00	
Toledo, Saginaw and Muskegon Railway Company.....	1,600,000.00	1,600,000.00	
The Toronto Belt Line Railway Company.....	50,000.00	26,000.00	24,000.00
The United States and Canada Rail Road Company.....	219,400.00	218,925.00	475.00
Vermont and Province Line Railroad Company.....	200,000.00	200,000.00	
*Prince Charles, Limited.....	10,000.00	10,000.00	
Canadian National Land Settlement Association.....			
The Pontiac, Oxford and Northern Railroad Company.....	1,000,000.00	1,000,000.00	
The Detroit and Huron Railway Company.....	148,000.00	148,000.00	
The Chicago and Kalamazoo Terminal Railroad Company.....	100,000.00	100,000.00	
Grand Trunk-Milwaukee Car Ferry Company.....	200,000.00	200,000.00	
Whipple Car Company.....	1,400,000.00	1,400,000.00	
Total Canadian National Railway-Grand Trunk Group.....	\$204,008,927.70	\$38,134,014.00	\$165,874,913.70
THE CANADIAN NORTHERN RAILWAY COMPANY.....	\$101,000,600.00	\$ 1,000,000.00	\$100,000,600.00
The Bay of Quinté Railway Company.....	1,395,000.00	1,395,000.00	
The Bessemer and Barry's Bay Railway Company.....	125,000.00	125,000.00	
The Canadian Northern Alberta Railway Company.....	3,000,000.00	3,000,000.00	
The Canadian Northern Railway Express Company, Limited.....	1,000,000.00	1,000,000.00	
Canadian Northern Manitoba Railway Company.....	250,000.00	250,000.00	
The Canadian Northern Ontario Railway Company.....	10,000,000.00	10,000,000.00	
Canadian Northern Pacific Railway Company.....	25,000,000.00	25,000,000.00	
*The Canadian Northern Quebec Railway Company.....	9,550,000.00	5,700,800.00	3,849,200.00
*Canadian National Realities, Limited.....	40,000.00	40,000.00	
Canadian Northern Steamships, Limited.....	2,000,000.00	2,000,000.00	
The Canadian Northern Coal and Ore Dock Company, Limited.....	500,000.00	500,000.00	
Canadian Northern Rolling Stock, Limited.....	50,000.00	50,000.00	
Canadian National Rolling Stock Limited.....	50,000.00	50,000.00	
*Canadian National Electric Railways.....	1,750,000.00	1,750,000.00	
Canadian National Express Company.....	1,000,000.00	1,000,000.00	
Canadian Northern System Terminals Limited.....	2,000,000.00	2,000,000.00	
*Canadian National Telegraph Company.....	500,000.00	500,000.00	
*Canadian National Transfer Company.....	500,000.00	500,000.00	
Canadian Northern Western Railway Company.....	2,000,000.00	2,000,000.00	
The Central Ontario Railway.....	3,331,000.00	3,329,000.00	2,000.00
Continental Realty & Holding Company Limited.....	90,000.00	90,000.00	
The Dalhousie Navigation Company, Limited.....	50,000.00	50,000.00	
Carried Forward.....	\$165,181,600.00	\$61,329,800.00	\$103,851,800.00

CANADIAN NATIONAL RAILWAYS

SCHEDULE OF COMPANIES COMPRISING THE CANADIAN NATIONAL RAILWAY SYSTEM—Continued

NAME OF ISSUING COMPANY	Capital Stock	Held by System	Held by Govern- ment and others
Brought Forward	\$165,181,600.00	\$61,329,800.00	\$103,851,800.00
Duluth, Winnipeg and Pacific Railroad Company	100,000.00	100,000.00	
Duluth, Winnipeg and Pacific Railway Company	6,000,000.00	6,000,000.00	
*Duluth and Virginia Realty Company	45,000.00	45,000.00	
Duluth, Rainy Lake & Winnipeg Railway Company	2,000,000.00	2,000,000.00	
*The Great North Western Telegraph Company of Canada	373,625.00	33,850.00	8,275.00
The Great North Western Telegraph Company of Canada (held in escrow)		331,500.00	
The Halifax and South Western Railway Company	1,000,000.00	1,000,000.00	
The Irondale, Bancroft and Ottawa Railway Company	53,500.00	53,000.00	500.00
The James Bay and Eastern Railway Company	1,250,000.00	1,250,000.00	
The Marmora Railway and Mining Company	128,600.00	128,600.00	
The Lake Superior Terminals Company Limited	500,000.00	500,000.00	
The Minnesota and Manitoba Railroad Company	400,000.00	400,000.00	
The Minnesota and Ontario Bridge Company	100,000.00	100,000.00	
Mount Royal Tunnel and Terminal Company, Limited	5,000,000.00	5,000,000.00	
*The Niagara, St. Catharines and Toronto Railway Company	925,000.00	924,900.00	100.00
*The Niagara, St. Catharines and Toronto Navigation Company (Limited)	100,000.00	100,000.00	
The Quebec and Lake St. John Railway Company	4,508,300.00	4,019,140.00	489,160.00
The Qu'Appelle, Long Lake and Saskatchewan Railroad and Steamboat Company	201,000.00	201,000.00	
St. Boniface Western Land Company	250,000.00	250,000.00	
The St. Charles and Huron River Railway Company	10,000.00	10,000.00	
The Toronto, Niagara and Western Railway Company	125,000.00	125,000.00	
The Winnipeg Land Company Limited	100,000.00	100,000.00	
Total Canadian Northern Railway Group	\$188,351,625.00	\$84,001,790.00	\$104,349,835.00
THE GRAND TRUNK PACIFIC RAILWAY COMPANY	\$24,942,000.00	\$24,942,000.00	
The Grand Trunk Pacific Branch Lines Company	1,002,000.00	1,002,000.00	
The Grand Trunk Pacific Saskatchewan Railway Company	200,000.00	200,000.00	
*The Grand Trunk Pacific Development Company, Limited	3,000,000.00	3,000,000.00	
*Canadian National Steamship Company, Limited	15,000.00	15,000.00	
*Grand Trunk Pacific Alaska Steamship Company	50,000.00	50,000.00	
*Grand Trunk Pacific Terminal Elevator Company, (Limited)	501,000.00	501,000.00	
*The Grand Trunk Pacific Telegraph Company	100,000.00	100,000.00	
*Grand Trunk Pacific Dock Company, of Seattle	150,000.00	150,000.00	
Total Grand Trunk Pacific Railway Group	\$29,960,000.00	\$29,960,000.00	
CENTRAL VERMONT RAILWAY COMPANY	\$3,000,000.00	\$2,192,400.00	\$807,600.00
Central Vermont Transportation Company	200,000.00	200,000.00	
Bethel Granite Railway Company	25,000.00	25,000.00	
The Barre Granite Railway Company			
Montreal and Province Line Railway Company	1,000,000.00	1,000,000.00	
The Montreal and Vermont Junction Railway Company	197,300.00	197,300.00	
The Stanstead, Shefford and Chambly Railroad Company	608,333.33	608,333.33	
Southern New England Railway Company (In Receivership)			
Southern New England Railroad Corporation (In Receivership)			
Total Central Vermont Railway Group	\$5,030,633.33	\$4,223,033.33	\$807,600.00
SUMMARY			
Canadian National Railway-Grand Trunk Group	\$204,008,927.70	\$38,134,014.00	\$165,874,913.70
Canadian Northern Railway Group	188,351,625.00	84,001,790.00	104,349,835.00
Grand Trunk Pacific Railway Group	29,960,000.00	29,960,000.00	
Central Vermont Railway Group	5,030,633.33	4,223,033.33	807,600.00
	\$427,351,186.03	\$156,318,837.33	\$271,032,348.70 ^a
*Canadian National Railways (France)	fr. 30,000,000.00	fr. 30,000,000.00	

The accounts of Companies indicated () are taken up in the System Income Account as "Separately Operated Properties."

**\$5,144,600 C.N.Q. Stock is held by the Northern Consolidated Holding Company. The Canadian Northern Railway owns 44,467 shares in that Company out of a total issue of 61,815. For the purpose of this statement the Holding Company is ignored and the proportion of the C.N.Q. Stock thus owned by the Canadian Northern Railway is shown as held by the latter Company.

†One certificate for \$180,424,327.70 of the Company's Capital Stock is issued in the name of His Majesty as representing \$165,627,738.70 of Grand Trunk Stock previously held by the public and \$14,796,589 previously held in that Company's treasury.

^a\$265,628,338.70 of this amount is owned by the Dominion of Canada.

CANADIAN NATIONAL RAILWAYS

A/C 706—INVESTMENTS IN AFFILIATED COMPANIES

COMPANY	Amount Outstanding	Amount Owned by Can. Nat. System	Book Value
"A"—STOCKS:			
Atlantic and St. Lawrence Rail Road Company.....	\$5,484,000.00	\$224.33	
The Belt Railway Company of Chicago.....	3,120,000.00	240,000.00	
The Chicago, Detroit and Canada Grand Trunk Junction Railroad Company.....	1,095,000.00	522,500.00	
Chicago & Western Indiana Railroad Company.....	5,000,000.00	1,000,000.00	
The Detroit and Toledo Shore Line Railroad Company.....	1,428,000.00	714,000.00	
The Ontario Car Ferry Company, (Limited).....	500,000.00	250,000.00	
The Toronto Terminals Railway Company.....	50,000.00	25,000.00	
The Toledo Terminal Railroad Company.....	4,000,000.00	387,200.00	
Detroit Terminal Railroad Company.....	2,000,000.00	1,000,000.00	
Canadian Government Merchant Marine, Limited.....	460,900.00	900.00	
	\$23,137,900.00	\$4,139,824.33	\$1,770,403.45
"B"—BONDS:			
Atlantic and St. Lawrence Rail Road Company.....	\$3,000,000.00	\$3,000,000.00	
The Chicago, Detroit and Canada Grand Trunk Junction Railroad Company.....	1,786,141.46	1,786,141.46	
Chicago & Western Indiana Railroad Consolidated Bonds.....	49,257,666.67	2,187,000.00	
The Detroit and Toledo Shore Line R.R. Co. First Mortgage Bonds...	3,000,000.00	587,000.00	
The Toledo Terminal Railroad Company.....	5,241,000.00	137,000.00	
The Toronto Terminals Railway Co. 5% First Mortgage Bonds.....	9,313,100.00	4,656,500.00	
	\$71,597,908.13	\$12,353,641.46	\$12,331,565.45
"D"—ADVANCES:			
Chicago & Western Indiana Railroad Company.....			\$613,188.09
Total Balance Sheet A/c No. 706.....			\$14,715,156.99

CANADIAN NATIONAL RAILWAYS

OPERATED MILEAGE DECEMBER 31st, 1926

Territory	Mileage owned by Constituent Companies				Mileage of Lines under Lease or Contract		Mileage of Trackage Rights		Total Road Mileage				Spurs, Sidings and Yard Tracks		Inactive Mileage	
	1st Main Track	2nd Main Track	3rd Main Track	4th Main Track	1st Main Track	2nd Main Track	1st Main Track	2nd Main Track	1st Main Track	2nd Main Track	3rd Main Track	4th Main Track	Miles	Miles	1st Main Track	2nd Main Track
ATLANTIC REGION	Miles	Miles	Miles	Miles	Miles	Miles	Miles	Miles	Miles	Miles	Miles	Miles	Miles	Miles	Miles	Miles
	511.96	21.09			66.32		1.02		512.98	21.09			148.41			
	New Glasgow Div.....	1.93							420.88	1.93			124.86			
	Island Division.....								276.32				38.23			
	Moncton Division.....	27.09							390.07	27.09			186.85			1.30
	Campbellton Division.....								475.08				147.20			
Edmundston Division.....	563.77				158.46		81.59		803.82				110.43			
Total Atlantic Region.....	2571.76	50.11			224.78		82.61		2879.15	50.11			755.98			1.30
CENTRAL REGION																
	521.46	22.97			5.48		3.28		524.74	22.97			171.08		13.02	1.12
	Saguenay Division.....								445.49				143.09		32.49	4.30
	Cochrane Division.....				0.91				710.71				201.25		5.66	0.61
	Montreal Division.....	429.42							430.33				92.19			0.64
MONTREAL DISTRICT:																
	Portland Division (excluding New England Lines).....	123.63	28.61						123.63	28.61			51.19			
	Atlantic & St. Lawrence R.R. Lines—															
	Lewiston & Auburn R.R.....				165.37	0.99			165.37	0.99			92.00			
	Norway Branch R.R.....				5.43				5.43				1.76			
	Montreal Terminals.....	35.58	16.39		1.41				1.41				0.62			
	St. Lawrence Division.....	409.84	142.62		5.82	5.82			41.40	22.21			204.12			
	Ottawa Division.....	421.55	2.13	0.28	78.09	21.09	0.33		488.26	142.62	0.28		148.31		11.86	0.48
									442.64	2.13			82.89			
	Carried Forward.....	3092.20	212.72	0.28	283.60	6.81	3.61		3379.41	219.53	0.28		1188.50		63.03	7.15

CANADIAN NATIONAL RAILWAYS

OPERATED MILEAGE DECEMBER 31st, 1926—Continued

Territory	Mileage owned by Constituent Companies				Mileage of Lines under Lease or Contract		Mileage of Trackage Rights		Total Road Mileage				Spurs, Sidings and Yard Tracks			Inactive Mileage		
	1st Main Track	2nd Main Track	3rd Main Track	4th Main Track	1st Main Track	2nd Main Track	1st Main Track	2nd Main Track	1st Main Track	2nd Main Track	3rd Main Track	4th Main Track	Miles	Yard Tracks	Sidings	1st Main Track	2nd Main Track	Spurs, Sidings & Yard Tracks
CENTRAL REGION (Cont'd)																		
Brought Forward.....	3092.20	212.72	0.28		283.60	6.81	3.61		3379.41	219.53	0.28		1188.50			63.03		7.15
NORTHERN ONTARIO DISTRICT:																		
Allandale Division.....	436.82	1.30							436.82	1.30			161.25			0.60		
Capreol Division.....	586.38	0.15			1.87	1.87	4.14	4.08	592.39	6.10			177.30				0.60	
Hornepayne Division.....	590.46								590.46				95.49					
SOUTHERN ONTARIO DISTRICT:																		
Belleville Division.....	1114.64	199.92							1114.64	199.92			315.76			18.60		
Toronto Terminals.....	30.56	20.02	8.85	7.42					30.56	20.02	8.85	7.42	203.21					
Stratford Division.....	644.01	1.25			159.15	8.25			803.16	9.50			207.21					
London Division.....	404.54	207.84	3.36						404.54	207.84	3.36		238.48					
St. Thomas Division (excluding International Bridge Company's and Niagara Falls Suspension Bridge Company's Tracks).....	244.46	89.92					4.07	4.05	248.53	93.97			153.58					
St. Thomas Division, International Bridge Company.....	0.97	0.55							0.97	0.55			5.95					
St. Thomas Division, Niagara Falls Suspension Bridge Company.....					0.25	0.25			0.25	0.25								
Total Central Region.....	7145.04	733.67	12.49	7.42	444.87	17.18	11.82	8.13	7601.73	758.98	12.49	7.42	2746.73			82.23	0.60	7.15
GRAND TRUNK WESTERN LINES																		
Grand Trunk Western Railway.....	331.09	321.67	10.56				4.85	4.85	335.94	326.52	10.56		271.33					
Chicago & Kalamazoo Terminal R.R.....	0.89						1.03		1.92				17.65					
Chicago, Kalamazoo & Saginaw Ry.....					9.50				9.50				0.58					
Detroit, Grand Haven & Milwaukee Ry.....	188.32	15.91							188.32	15.91			179.65					
Grand Rapids Terminal R.R.....	95.95				1.51				1.51				3.53					
Toledo, Saginaw & Muskegon Ry.....	99.89						20.33		116.28				17.78					
Pontiac, Oxford & Northern R.R.....									99.89				22.45					
Carried Forward.....	716.14	337.58	10.56		11.01		26.21	4.85	753.36	342.43	10.56		512.97					

CANADIAN NATIONAL RAILWAYS

OPERATED MILEAGE DECEMBER 31st, 1926—Continued

Territory	Mileage owned by Constituent Companies				Mileage of Lines under Lease or Contract		Mileage of Trackage Rights		Total Road Mileage				Spurs, Sidings and Yard Tracks	Inactive Mileage		
	1st Main Track	2nd Main Track	3rd Main Track	4th Main Track	1st Main Track	2nd Main Track	1st Main Track	2nd Main Track	1st Main Track	2nd Main Track	3rd Main Track	4th Main Track	Miles	1st Main Track	2nd Main Track	Spurs, Sidings & Yard Tracks
GRAND TRUNK WESTERN LINES																
(Cont'd)																
Brought Forward.....	716.14	337.58	10.56		11.01		26.21	4.85	753.36	342.43	10.56		512.97			
Detroit & Huron Ry.....	18.58								18.58				3.93			
Chicago, Detroit & Canada																
Grand Trunk Junction R.R....	105.92				59.55	11.19			59.55	11.19			98.78			
Michigan Air Line Ry.....									105.92				19.03			
Cincinnati, Saginaw & Mackinaw					50.56		1.57		52.13				48.18			
R.R.....									1.17				2.53			
Bay City Terminal Ry.....	1.17												3.43			
Grand Trunk Milwaukee Car																
Ferry (85.9 miles).....																
Total Grand Trunk Western	841.81	337.58	10.56		121.12	11.19	27.78	4.85	990.71	353.62	10.56		688.85			
Lines.....																
WESTERN REGION																
MANITOBA DISTRICT:																
Lakehead Division.....	17.12	10.11			43.88		2.08	1.97	19.20	12.08			148.13	26.71		2.10
Port Arthur Division.....	952.19	30.29					7.38		996.07	30.29			237.85			
D.W. & P. Division.....	169.00								176.38				55.16			
Winnipeg Terminal Division....	31.72	12.39			13.88	5.43			45.60	17.82			162.81			2.63
Portage Division.....	898.56				242.10				1140.66				193.81			
Brandon Division.....	554.40				94.04				648.44				84.49			
Dauphin Division.....	690.24								690.24				107.63			
SASKATCHEWAN DISTRICT:																
Prince Albert Division.....	618.45								618.45				73.03			
Melville Division.....	770.70								770.70				162.23			
Regina Division.....	935.65						1.25		936.90				157.24			
Saskatoon Division.....	915.64								915.64				186.79			
Carried Forward.....	6553.67	52.79			393.90	5.43	10.71	1.97	6958.28	60.19			1569.17	26.71		4.73

CANADIAN NATIONAL RAILWAYS

OPERATED MILEAGE DECEMBER 31st, 1926—Continued

Territory	Mileage owned by Constituent Companies				Mileage of Lines under Lease or Contract		Mileage of Trackage Rights		Total Road Mileage				Inactive Mileage		
	1st Main Track	2nd Main Track	3rd Main Track	4th Main Track	1st Main Track	2nd Main Track	1st Main Track	2nd Main Track	1st Main Track	2nd Main Track	3rd Main Track	4th Main Track	1st Main Track	2nd Main Track	Spurs, Sidings and Yard Tracks
WESTERN REGION (Cont'd)	Miles	Miles	Miles	Miles	Miles	Miles	Miles	Miles	Miles	Miles	Miles	Miles	Miles	Miles	Miles
	Brought Forward.....	6553.67	52.79				10.71	1.97	6958.28	60.19			1569.17	26.71	4.73
	ALBERTA DISTRICT:														
	Calgary Division.....	863.84	19.91				4.30		868.14	19.91			181.99		
BRITISH COLUMBIA DISTRICT:	Edmonton Division.....	986.75	4.27						986.75	4.27			227.60		
	Edson Division.....	420.64				36.65			457.29				136.51		
	Smithers Division.....	676.73							676.73				128.72		
	Kamloops Division.....	624.09					39.06	17.96	663.15	17.96			134.44	11.65	0.15
Total Western Region.....	Vancouver Island Division.....	107.50							107.50				21.27		
		10233.22	76.97			430.55	54.07	19.93	10717.84	102.33			2399.70	38.36	4.88
CENTRAL VERMONT SYSTEM	Central Vermont Ry.....	241.96	5.56		*0.27		59.04		301.00	5.56		*0.27	116.27		
	Stansfield, Shefford & Chambly Ry.....	2.53							2.53				1.43		
	Montreal & Vermont Jct. Ry.....	22.80							22.80				5.26		
	New London Northern R.R.....					125.29	0.11		125.40				52.57		
	West River R.R.....					35.40			35.40				3.00		
	Bethel Granite Ry.....	5.39							5.39				0.64		
	Total Central Vermont System.....	272.68	5.56		*0.27	160.69	59.15		492.52	5.56		*0.27	179.17		
*Designated as "Other Main Track."															
Atlantic Region.....	Central Region.....	2571.76	50.11	12.49	7.42	224.78	82.61	8.13	2879.15	50.11	12.49	7.42	755.98		1.30
	Grand Trunk Western Lines.....	7145.04	733.67	10.56		444.87	11.82	4.85	7601.73	758.98	10.56		2746.73	0.60	7.15
	Western Region.....	841.81	337.58			121.12	27.78	19.93	990.71	353.62			688.85		
	Central Vermont System.....	10233.22	76.97		0.27	430.55	54.07		10717.84	102.33		0.27	2399.70	38.36	4.88
		272.68	5.56			160.69	59.15		492.52	5.56			179.17		
Total Mileage Steam Operated Lines referred to as "System Mileage".....		21064.51	1203.89	23.05	7.69	1382.01	235.43	32.91	22681.95	1270.60	23.05	7.69	6770.43	120.59	13.33

SUMMARY

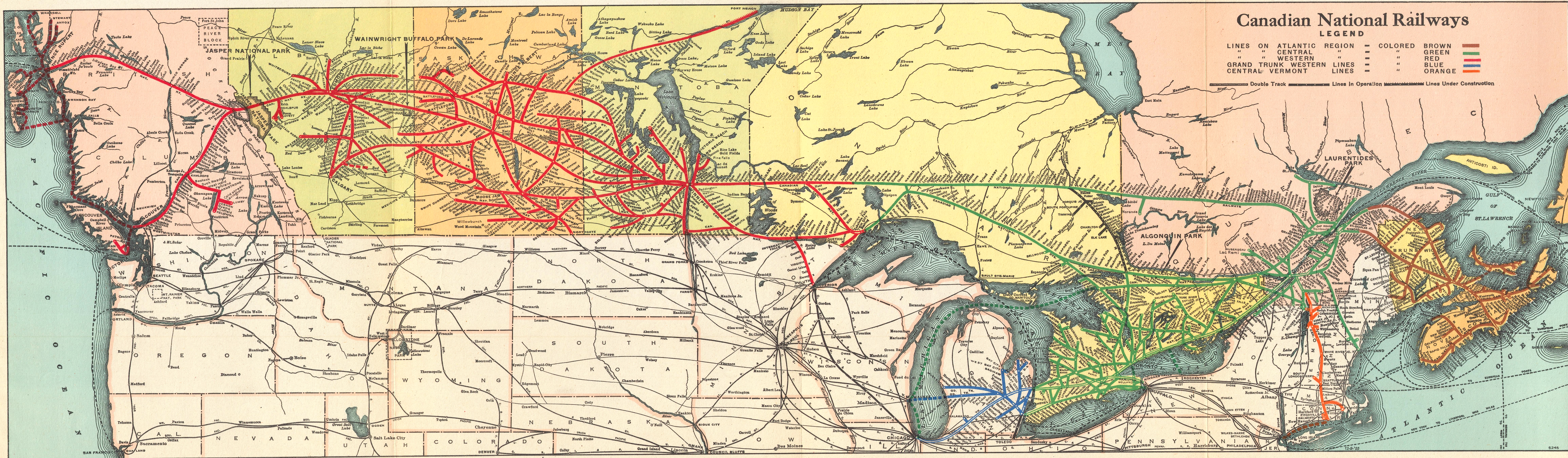
CANADIAN NATIONAL RAILWAYS

SUMMARY OF FIRST MAIN TRACK BY REGIONS AND DISTRICTS

	Miles
ATLANTIC REGION.....	2879.15
CENTRAL REGION:	
Quebec District.....	2111.27
Montreal District.....	1268.14
Northern Ontario District.....	1619.67
Southern Ontario District.....	2602.65
GRAND TRUNK WESTERN LINES.....	990.71
WESTERN REGION:	
Manitoba District.....	3716.59
Saskatchewan District.....	3241.69
Alberta District.....	2312.18
British Columbia District.....	1447.38
CENTRAL VERMONT SYSTEM.....	492.52
Total First Main Track Mileage Steam Operated Lines referred to as "System Mileage".....	22681.95

MILEAGE OF LINES CONTROLLED BY CANADIAN NATIONAL RAILWAYS NOT INCLUDED IN OPERATING FIGURES

	Miles
STEAM OPERATED LINES:	
Thousand Islands Railway.....	6.00
ELECTRIC LINES:	
Canadian National Electric Railway (Toronto Suburban Division).....	49.36
Niagara, St. Catharines & Toronto Railway.....	68.13
Montreal & Southern Counties Railway.....	56.16
Oshawa Railway.....	9.98



Canadian National Railways

LEGEND

LINES ON ATLANTIC REGION	COLORED BROWN
" " CENTRAL	GREEN
" " WESTERN	RED
GRAND TRUNK WESTERN LINES	BLUE
CENTRAL VERMONT LINES	ORANGE

Double Track Lines in Operation Lines Under Construction

